
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended August 31, 2016

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission file number 0-50761

AngioDynamics, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

14 Plaza Drive Latham, New York
(Address of principal executive offices)

11-3146460
(I.R.S. Employer
Identification No.)

12110
(Zip Code)

(518) 795-1400
Registrant's telephone number, including area code

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common stock, par value \$.01	NASDAQ Global Select Market
Preferred Stock Purchase Rights	NASDAQ Global Select Market

Securities registered pursuant to Section 12(g) of the Act:

None
(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the Issuer's classes of common stock, as of the latest practicable date.

<u>Class</u>	<u>Outstanding as of October 3, 2016</u>
Common Stock, par value \$.01	36,884,124

AngioDynamics, Inc. and Subsidiaries

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PART 1. FINANCIAL INFORMATION**Item 1. Financial Statements.****AngioDynamics, Inc. and Subsidiaries****CONSOLIDATED CONDENSED STATEMENTS OF INCOME (LOSS)
(unaudited)
(in thousands of dollars, except per share data)**

	Three Months Ended	
	Aug 31, 2016	Aug 31, 2015
Net sales	\$ 88,098	\$ 83,753
Cost of sales (exclusive of intangible amortization)	43,066	40,382
Gross profit	45,032	43,371
Operating expenses		
Research and development	6,709	6,129
Sales and marketing	19,488	21,200
General and administrative	8,168	7,914
Amortization of intangibles	4,235	4,415
Change in fair value of contingent consideration	443	355
Acquisition, restructuring and other items, net	2,417	2,143
Medical device excise tax	—	1,003
Total operating expenses	41,460	43,159
Operating income (loss)	3,572	212
Other (expenses) income		
Interest expense	(723)	(800)
Interest income	4	1
Other income (expense)	50	(118)
Total other expenses, net	(669)	(917)
Income (loss) before income tax expense (benefit)	2,903	(705)
Income tax expense	1,603	70
Net income (loss)	\$ 1,300	\$ (775)
Income (loss) per share		
Basic	\$ 0.04	\$ (0.02)
Diluted	\$ 0.04	\$ (0.02)
Basic weighted average shares outstanding	36,319	35,960
Diluted weighted average shares outstanding	36,698	35,960

The accompanying notes are an integral part of these consolidated condensed financial statements.

AngioDynamics, Inc. and Subsidiaries**CONSOLIDATED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**
(unaudited)
(in thousands of dollars)

	Three Months Ended	
	Aug 31, 2016	Aug 31, 2015
Net Income (loss)	\$ 1,300	\$ (775)
Other comprehensive income (loss), before tax:		
Unrealized gain on interest rate swap	—	66
Unrealized gain (loss) on marketable securities	(6)	3
Foreign currency translation (loss)	(294)	(90)
Other comprehensive (loss), before tax	(300)	(21)
Income tax (expense) benefit related to items of other comprehensive income	2	(26)
Other comprehensive (loss), net of tax	(298)	(47)
Total comprehensive income (loss), net of tax	\$ 1,002	\$ (822)

The accompanying notes are an integral part of these consolidated condensed financial statements.

AngioDynamics, Inc. and Subsidiaries
CONSOLIDATED CONDENSED BALANCE SHEETS
(unaudited)
(in thousands of dollars, except share data)

	Aug 31, 2016	May 31, 2016
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 37,411	\$ 32,333
Marketable securities	1,647	1,653
Accounts receivable, net of allowances of \$4,094 and \$4,372 respectively	50,124	52,867
Inventories	58,274	55,370
Prepaid income taxes	568	788
Prepaid expenses and other	4,258	3,243
Total current assets	152,282	146,254
Property, plant and equipment, net	47,230	48,284
Other assets	3,605	3,827
Intangible assets, net	162,342	166,577
Goodwill	361,252	361,252
TOTAL ASSETS	\$ 726,711	\$ 726,194
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 15,648	\$ 15,616
Accrued liabilities	19,214	21,896
Income taxes payable	16	46
Current portion of long-term debt	17,500	16,250
Current portion of contingent consideration	13,053	12,919
Total current liabilities	65,431	66,727
Long-term debt, net of current portion	100,652	104,291
Deferred income taxes, long-term	23,246	21,684
Contingent consideration, net of current portion	23,565	25,356
Other long-term liabilities	1,100	908
Total liabilities	213,994	218,966
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY		
Preferred stock, par value \$.01 per share, 5,000,000 shares authorized; no shares issued and outstanding	—	—
Common stock, par value \$.01 per share, 75,000,000 shares authorized; 36,881,766 and 36,420,403 shares issued and 36,739,461 and 36,278,098 shares outstanding at August 31, 2016 and May 31, 2016, respectively	366	363
Additional paid-in capital	530,259	525,775
Accumulated deficit	(14,715)	(16,015)
Treasury stock, 142,305 shares, at cost	(2,104)	(2,104)
Accumulated other comprehensive loss	(1,089)	(791)
Total stockholders' equity	512,717	507,228
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 726,711	\$ 726,194

The accompanying notes are an integral part of these consolidated condensed financial statements.

AngioDynamics, Inc. and Subsidiaries
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
(unaudited)
(in thousands of dollars)

	Three Months Ended	
	Aug 31, 2016	Aug 31, 2015
Cash flows from operating activities:		
Net income (loss)	\$ 1,300	\$ (775)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	6,153	7,113
Stock based compensation	1,684	1,626
Change in fair value of contingent consideration	443	355
Deferred income taxes	1,565	(208)
Fixed and intangible asset impairments and disposals	45	220
Change in accounts receivable allowances	(197)	109
Other	18	(13)
Changes in operating assets and liabilities, net of acquisitions:		
Accounts receivable	2,822	5,925
Inventories	(3,049)	(6,922)
Prepaid expenses and other assets	(869)	(2,605)
Accounts payable, accrued and other liabilities	(2,475)	(126)
Net cash provided by operating activities	7,440	4,699
Cash flows from investing activities:		
Additions to property, plant and equipment	(481)	(743)
Net cash used in investing activities	(481)	(743)
Cash flows from financing activities:		
Repayment of long-term debt	(2,500)	(1,250)
Payment of contingent consideration previously established in purchase accounting	(2,100)	(2,100)
Proceeds from exercise of stock options and employee stock purchase plan	2,803	1,279
Net cash (used in) financing activities	(1,797)	(2,071)
Effect of exchange rate changes on cash and cash equivalents	(84)	(8)
Increase in cash and cash equivalents	5,078	1,877
Cash and cash equivalents at beginning of period	32,333	18,391
Cash and cash equivalents at end of period	\$ 37,411	\$ 20,268
Supplemental disclosure of non-cash investing and financing activities:		
Contractual obligations for acquisition of intangibles and business	\$ —	\$ —
Contractual obligations for acquisition of fixed assets	\$ 52	\$ 111

The accompanying notes are an integral part of these consolidated condensed financial statements.

AngioDynamics, Inc. and Subsidiaries
CONSOLIDATED CONDENSED STATEMENT OF STOCKHOLDERS' EQUITY
(unaudited)
(in thousands of dollars, except share data)

	Common Stock		Additional paid in capital	Accumulated deficit	Accumulated other comprehensive loss	Treasury Stock		Total
	Shares	Amount				Shares	Amount	
Balance at May 31, 2016	36,420,403	\$ 363	\$ 525,775	\$ (16,015)	\$ (791)	(142,305)	\$ (2,104)	\$ 507,228
Net income (loss)				1,300				1,300
Exercise of stock options	221,528	1	2,530					2,531
Purchase of common stock under ESPP	78,647	1	728					729
Issuance of performance share units, net	23,405	—	—					—
Issuance of restricted stock units, net	137,783	1	(458)					(457)
Stock based compensation			1,684					1,684
Other comprehensive loss, net of tax					(298)			(298)
Balance at August 31, 2016	36,881,766	\$ 366	\$ 530,259	\$ (14,715)	\$ (1,089)	(142,305)	\$ (2,104)	\$ 512,717

The accompanying notes are an integral part of these consolidated condensed financial statements.

AngioDynamics, Inc. and Subsidiaries**NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
(unaudited)****NOTE A – CONSOLIDATED CONDENSED FINANCIAL STATEMENTS**

The consolidated condensed balance sheet as of August 31, 2016, the consolidated condensed statement of stockholders' equity and consolidated condensed statement of cash flows for the three months ended August 31, 2016 and the consolidated condensed statements of income (loss) and consolidated condensed statements of comprehensive income (loss) for the three months ended August 31, 2016 and August 31, 2015 have been prepared by us and are unaudited. The consolidated condensed balance sheet as of May 31, 2016 was derived from audited consolidated financial statements but does not include all disclosures required by accounting principles generally accepted in the United States of America. In the opinion of management, all adjustments (consisting of normal recurring adjustments) necessary to state fairly the financial position, changes in stockholders' equity and comprehensive income, results of operations and cash flows as of and for the period ended August 31, 2016 (and for all periods presented) have been made.

The unaudited interim consolidated condensed financial statements for the three months ended August 31, 2016 and August 31, 2015 include the accounts of AngioDynamics, Inc. and its wholly owned subsidiaries, collectively, the "Company". All intercompany balances and transactions have been eliminated.

Recent Developments

On July 22, 2016, Michael C. Greiner was appointed Executive Vice President and Chief Financial Officer ("CFO") of the Company, effective August 16, 2016. On July 27, 2016, Peter J. Kish was designated as the principal financial officer and principal accounting officer of the Company by the Board of Directors of the Company. Mr. Kish served in this role until Mr. Greiner began his service as CFO on August 16, 2016.

NOTE B – INVENTORIES

Inventories are stated at lower of cost (using the first-in, first-out method) or market. As of August 31, 2016 and May 31, 2016, inventories consisted of the following:

	Aug 31, 2016	May 31, 2016
	(in thousands)	
Raw materials	\$ 22,584	\$ 21,669
Work in process	11,528	10,700
Finished goods	24,162	23,001
Inventories	<u>\$ 58,274</u>	<u>\$ 55,370</u>

NOTE C – OTHER ASSETS

On March 2, 2015, the Company filed an 8-K stating that it executed a non-binding letter of intent to enter into a strategic relationship with privately-held EmboMedics Inc., which develops injectable and resorbable embolic microspheres. On April 9, 2015, the Company entered into a License, Distribution, Manufacturing and Purchase Option Agreement with EmboMedics Inc, subject to certain approvals by EmboMedics shareholders. Under the terms of the agreement, AngioDynamics received an exclusive worldwide license to market and sell, upon regulatory clearances, EmboMedics' microsphere technology. AngioDynamics has the ability to determine the manufacturing of the products.

On December 7, 2015, AngioDynamics made an initial \$2.0 million purchase of non-transferable warrants in a subsidiary of EmboMedics which become exercisable upon a change of control of EmboMedics. The Company does not have significant influence, or control of the subsidiary. This initial investment is recorded at cost and the Company will review for impairment at each balance sheet date. The warrants are not exercisable at the original issue date or the balance sheet date as they only become exercisable upon a change of control, termination of the agreement or delivery of an offer notice. Based on the achievement of certain development activities, the Company will make an additional \$5.0 million purchase of non-transferable warrants and an additional \$4.0 million in milestone payments based on regulatory approvals. In the future, AngioDynamics could execute an exclusive option to acquire this subsidiary of EmboMedics.

NOTE D – GOODWILL AND INTANGIBLE ASSETS

Intangible assets other than goodwill and indefinite lived intangible assets are amortized over their estimated useful lives, which range between one and eighteen years, on either a straight-line basis or proportionately to the benefit being realized. We periodically review the estimated useful lives of our intangible assets and review such assets for impairment, based on estimated future cash flows, whenever events or changes in circumstances indicate that the carrying value of the assets may not be recoverable. If an intangible asset is considered to be impaired, the amount of the impairment will equal the excess of the carrying value over the fair value of the asset.

We consider our business to be a single operating segment entity, and a single reporting unit engaged in the development, manufacture and sale on a global basis of medical devices for vascular access, peripheral vascular disease, oncology and surgery.

Goodwill and other intangible assets that have indefinite useful lives are not amortized, but rather, are tested for impairment annually or more frequently if impairment indicators arise. Goodwill represents the excess of the purchase price over the fair value of the net tangible and identifiable intangible assets acquired in each business combination. Goodwill and intangible assets have been recorded at either incurred or allocated costs based on respective fair market values at the date of acquisition.

For goodwill, the impairment test requires a comparison of the estimated fair value of the reporting unit to which the goodwill is assigned to the sum of the carrying value of the assets and liabilities of that unit. If the sum of the carrying value of the assets and liabilities of a reporting unit exceeds the fair value of the reporting unit, the carrying value of the reporting unit's goodwill is reduced to its implied fair value through an adjustment to the goodwill balance, resulting in an impairment charge.

We completed our annual goodwill impairment test as of December 31, 2015. At December 31, 2015, our reporting unit is the same as our one reportable segment. Our assessment of goodwill impairment indicated that the fair value of our reporting unit exceeded its carrying value and therefore goodwill was not impaired.

Even though we determined that there was no goodwill impairment as of December 31, 2015, the future occurrence of a potential indicator of impairment, such as a significant adverse change in legal, regulatory, business or economic conditions or a more-likely-than-not expectation that the reporting unit or a significant portion of the reporting unit will be sold or disposed of, would require an interim assessment for the reporting unit prior to the next required annual assessment as of December 31, 2016. We continued to assess impairment through August 31, 2016 and noted no events that would be considered a triggering event.

There were no adjustments to goodwill for the three months ended August 31, 2016.

As of August 31, 2016 and May 31, 2016, intangible assets consisted of the following:

	August 31, 2016			Weighted avg useful life (years)
	Gross carrying value	Accumulated amortization	Net carrying value	
(in thousands)				
Product technologies	\$ 148,378	\$ (53,553)	\$ 94,825	10.2
Customer relationships	88,389	(48,153)	40,236	11.9
Trademarks	28,470	(6,976)	21,494	10.7
In process R&D acquired	3,600	—	3,600	Indefinite
Licenses	5,037	(4,009)	1,028	9.1
Distributor relationships	2,150	(991)	1,159	5.2
	<u>\$ 276,024</u>	<u>\$ (113,682)</u>	<u>\$ 162,342</u>	

May 31, 2016

	Gross carrying value	Accumulated amortization	Net carrying value	Weighted avg useful life (years)
(in thousands)				
Product technologies	\$ 148,387	\$ (51,313)	\$ 97,074	10.2
Customer relationships	88,389	(47,133)	41,256	11.9
Trademarks	28,470	(6,242)	22,228	10.7
In process R&D acquired	3,600	—	3,600	Indefinite
Licenses	7,931	(6,716)	1,215	7.6
Distributor relationships	2,150	(946)	1,204	5.2
	<u>\$ 278,927</u>	<u>\$ (112,350)</u>	<u>\$ 166,577</u>	

NOTE E – ACCRUED LIABILITIES

As of August 31, 2016 and May 31, 2016, accrued liabilities consisted of the following:

	Aug 31, 2016	May 31, 2016
	(in thousands)	
Payroll and related expenses (1)	\$ 6,618	\$ 9,414
Royalties	2,345	2,489
Accrued severance	1,388	1,524
Sales and franchise taxes (2)	2,106	565
Outside services (3)	1,172	2,063
Other	5,585	5,841
	<u>\$ 19,214</u>	<u>\$ 21,896</u>

(1) Includes accrued payroll, commissions and bonus. Decrease from year end due to bonus payment in the first quarter.

(2) Includes accrued federal and state withholdings on equity, accrued VAT and state tax liabilities. Increase from year end due to tax liabilities related to equity exercises.

(3) Includes accrued legal fees. Decrease from year end due to payments made in the first quarter.

NOTE F – LONG TERM DEBT

On September 19, 2013, we entered into a Credit Agreement (the “Credit Agreement”) with the lenders party thereto, JPMorgan Chase Bank, N.A., as administrative agent, Bank of America, N.A. and Keybank National Association as co-syndication agents, and J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Keybank National Association as joint bookrunners and joint lead arrangers.

The Credit Agreement provides for a \$100 million senior secured term loan facility (“Term Loan”) and a \$100 million senior secured revolving credit facility, which includes up to a \$20 million sublimit for letters of credit and a \$5 million sublimit for swingline loans (the “Revolving Facility”, and together with the Term Loan, the “Facilities”). On September 19, 2013, we borrowed \$100 million under the Term Facility and approximately \$41.4 million under the Revolving Facility to repay the Former Credit Agreement. As of August 31, 2016, \$82.5 million and \$36.4 million were outstanding under the Term Facility and Revolving Facility, respectively. As of August 31, 2016 and May 31, 2016 the carrying value of long-term debt approximates its fair market value.

The proceeds of the Revolving Facility may be used for general corporate purposes of AngioDynamics and its subsidiaries. The Facilities have a five years maturity. The Term Loan has a quarterly repayment schedule equal to 5%, 5%, 10%, 15% and 65% of its principal amount in years one through five. Interest on both the Term Loan and Revolving Facility are based on a base rate or Eurodollar rate plus an applicable margin which increases as our total leverage ratio increases, with the base rate and Eurodollar rate having ranges of 0.50% to 1.25% and 1.5% to 2.25% respectively. After default, the interest rate may be increased by 2.0%. The Revolving Facility carries a commitment fee of 0.2% to 0.35% per annum on the unused portion.

Our obligations under the Facilities are unconditionally guaranteed, jointly and severally, by our material direct and indirect domestic subsidiaries (the “Guarantors”). All obligations of AngioDynamics and the Guarantors under the Facilities are secured by first priority security interests in substantially all of the assets of AngioDynamics and the Guarantors.

The Credit Agreement includes customary representations, warranties and covenants, and acceleration, indemnity and events of default provisions, including, among other things, two financial covenants. The first financial covenant requires us to maintain, as of the end of each of our fiscal quarters, a ratio of consolidated adjusted EBITDA minus consolidated capital expenditures to consolidated interest expense paid or payable in cash plus scheduled principal payments in respect of indebtedness under the Credit Agreement of not less than 1.35 to 1.00. The second financial covenant requires us to maintain, as of the end of each of our fiscal quarters, a ratio of consolidated total indebtedness to consolidated adjusted EBITDA of not greater than 3.75 to 1.00. We were in compliance with both covenants as of August 31, 2016.

NOTE G - INCOME TAXES

The following table presents the components of income tax expense for the three months ended August 31, 2016 and August 31, 2015 (in thousands of dollars):

	Three Months Ended	
	Aug 31, 2016	Aug 31, 2015
Income (loss) before Income Taxes	\$ 2,903	\$ (705)
Less discrete book income (expense):		
Non-taxable portion of change in fair value of contingent consideration	—	170
Ordinary income (loss) before income taxes	2,903	(875)
Income tax expense (benefit) based on ordinary income (loss) at estimated tax rates	\$ 1,603	\$ (376)
Discrete tax expense (benefit):		
Adjustment for elimination of the ASC 718 APIC pool	—	471
Adjustments to prior period tax liabilities	—	(25)
Total income tax expense	<u>\$ 1,603</u>	<u>\$ 70</u>

The estimated full year effective tax rate prior to discrete items was 55.2% in the first quarter of fiscal 2017, as compared to 43.0% for the same period in fiscal 2016. The change in the effective tax rate is primarily driven by the impact of the US valuation allowance and the deferred tax liability related to intangibles that have an indefinite reversal period and cannot be used to support the deferred tax assets.

A valuation allowance is established if it is more likely than not that all, or a portion of the deferred tax asset will not be realized. The Company has established that it is more likely than not that some, or all of their deferred tax assets will not be recognized in future years. Consequently, the Company continues to maintain a full U.S. valuation allowance on its net deferred tax assets. Management will continue to reevaluate the positive and negative evidence at each reporting period and if future results as projected in the U.S. and our tax planning strategies are favorable, the valuation allowance may be removed, which could have a favorable material impact on our results of operations in the period in which it is recorded.

NOTE H - SHARE-BASED COMPENSATION

We have two stock-based compensation plans that provide for the issuance of up to approximately 6.8 million shares of common stock. The 2004 Stock and Incentive Award Plan (the "2004 Plan") provides for the grant of incentive options to our employees and for the grant of non-statutory stock options, restricted stock, stock appreciation rights, performance units, performance shares and other incentive awards to our employees, directors and other service providers. We also have an employee stock purchase plan.

For the three months ended August 31, 2016 and August 31, 2015, share-based payment expense was \$1.7 million and \$1.6 million, respectively.

In the three months ended August 31, 2016 and August 31, 2015, the company granted stock options and restricted stock units under the 2004 Plan to certain employees and members of the Board of Directors. Stock option awards are valued using the Black-Scholes option-pricing model and then amortized on a straight-line basis over the requisite service period of the award. Restricted stock unit awards are valued based on the closing trading value of our shares on the date of grant and then amortized on a straight-line basis over the requisite service period of the award.

In the first quarter of fiscal year 2017 and 2016, the company granted performance share awards under the 2004 Plan to certain employees. The awards may be earned by achieving relative performance levels over the three years requisite service period. The performance criteria are based on the total shareholder return ("TSR") of the company's common stock relative to the TSR of the common stock of a pre-defined industry peer-group. The fair value of these awards are based on the closing trading value of our shares on the date of grant and use a Monte Carlo simulation model.

As of August 31, 2016, there were \$18.3 million of unrecognized compensation expenses related to share-based payment arrangements. These costs are expected to be recognized over a weighted-average period of approximately four years. The Company has sufficient shares to satisfy expected share-based payment arrangements.

NOTE I – EARNINGS PER SHARE

Basic earnings per share are based on the weighted average number of common shares outstanding without consideration of potential common stock. Diluted earnings per share include the dilutive effect of potential common stock consisting of stock options, restricted stock units and performance stock units, provided that the inclusion of such securities is not antidilutive. In periods with a net loss, stock options and restricted stock units are not included in the computation of diluted loss per share as the impact would be anti-dilutive.

The following table reconciles basic to diluted weighted-average shares outstanding for the three months ended August 31, 2016 and August 31, 2015 (in thousands):

	Three Months Ended	
	Aug 31, 2016	Aug 31, 2015
Basic	36,319	35,960
Effect of dilutive securities	379	—
Diluted	36,698	35,960
Securities excluded as their inclusion would be anti-dilutive	1,503	3,241

NOTE J – SEGMENT AND GEOGRAPHIC INFORMATION

We consider our business to be a single operating segment entity engaged in the development, manufacture and sale of medical devices for vascular access, peripheral vascular disease, oncology and surgery on a global basis. Our chief operating decision maker (CEO) evaluates the various global product portfolios on a net sales basis. Executives reporting to the CEO include those responsible for commercial operations, manufacturing operations, regulatory and quality and certain corporate functions. The CEO evaluates profitability, investment and cash flow metrics on a consolidated worldwide basis due to shared infrastructure and resources.

The table below summarizes net sales by product category (in thousands of dollars):

	Three Months Ended	
	Aug 31, 2016	Aug 31, 2015
Net sales		
Peripheral Vascular	\$ 51,409	\$ 47,106
Vascular Access	25,005	24,645
Oncology/Surgery	11,064	11,334
Supply Agreement	620	668
Total	\$ 88,098	\$ 83,753

The table below presents net sales by geographic area based on external customer location (in thousands of dollars):

	Three Months Ended	
	Aug 31, 2016	Aug 31, 2015
Net sales		
United States	\$ 71,753	\$ 68,369
International	15,725	14,716
Supply Agreement	620	668
Total	\$ 88,098	\$ 83,753

NOTE K – FAIR VALUE

Our financial instruments include cash and cash equivalents, accounts receivable, marketable securities, accounts payable and contingent consideration. The carrying amount of cash and cash equivalents, accounts receivable, and accounts payable approximates fair value due to the immediate or short-term maturities. Marketable securities have been recorded at their fair value based on a valuation received from an independent third party. The contingent consideration has been recorded at fair value using the income approach.

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. This policy establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The policy describes three levels of inputs that may be used to measure fair value which are provided in the table below.

Level 1	Quoted prices in active markets for identical assets or liabilities. Level 1 assets include money market funds that are traded in an active exchange market.
Level 2	Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. When quoted market prices are unobservable, we obtain pricing information from an independent pricing vendor. The pricing vendor uses various pricing models for each asset class that are consistent with what other market participants would use. The inputs and assumptions to the model of the pricing vendor are derived from market observable sources including: benchmark yields, reported trades, broker/dealer quotes, issuer spreads, benchmark securities, bids, offers, and other market-related data. The pricing vendor considers all available market observable inputs in determining the evaluation for a security. Thus, certain securities may not be priced using quoted prices, but rather determined from market observable information. Included in Level 2 assets is our interest rate swap agreement which is valued using a mid-market valuation model.
Level 3	Unobservable inputs that are supported by little or no market activity and are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation. This category includes the auction rate securities where independent pricing information was not able to be obtained and the contingent consideration related to the acquisition of Vortex, Microsulis and Clinical Devices. Our investments in auction-rate securities were classified as Level 3 as quoted prices were unavailable since these auction rate securities issued by New York state and local government authorities failed auction. Due to limited market information, we utilized a discounted cash flow (“DCF”) model to derive an estimate of fair value for contingent considerations for all periods presented. The assumptions used in preparing the DCF model included estimates with respect to the discount rate, amount and timing of future interest and principal payments and forward projections. Assumptions associated with the auction rate securities include the interest rate benchmarks, the probability of full repayment of the principal considering the credit quality and guarantees in place, and the rate of return required by investors to own such securities given the current liquidity risk.

The following tables provide information by level for assets and liabilities that are measured at fair value on a recurring basis as of August 31, 2016 and May 31, 2016 (in thousands of dollars):

	Fair Value Measurements using inputs considered as:			Fair Value at August 31, 2016
	Level 1	Level 2	Level 3	
Financial Assets				
Marketable securities				
U.S. government agency obligations	\$ —	\$ —	\$ 1,647	\$ 1,647
Total	—	—	1,647	1,647
Total Financial Assets	\$ —	\$ —	\$ 1,647	\$ 1,647
Financial Liabilities				
Contingent liability for acquisition earn out	—	—	36,618	36,618
Total Financial Liabilities	\$ —	\$ —	\$ 36,618	\$ 36,618

	Fair Value Measurements using inputs considered as:			Fair Value at May 31, 2016
	Level 1	Level 2	Level 3	
Financial Assets				
Marketable securities				
U.S. government agency obligations	\$ —	\$ —	\$ 1,653	\$ 1,653
Total	—	—	1,653	1,653
Total Financial Assets	\$ —	\$ —	\$ 1,653	\$ 1,653
Financial Liabilities				
Contingent liability for acquisition earn out	—	—	38,275	38,275
Total Financial Liabilities	\$ —	\$ —	\$ 38,275	\$ 38,275

There were no transfers in and out of Level 1, 2 and 3 measurements for the three months ended August 31, 2016 and May 31, 2016.

The table below presents the changes in fair value components of Level 3 instruments in the three months ended August 31, 2016 (in thousands of dollars):

	Financial Assets		Financial Liabilities	
	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)		Fair Value Measurements Using Significant Unobservable Inputs (Level 3)	
Balance, May 31, 2016	\$	1,653	\$	38,275
Total gains or losses (realized/unrealized):				
Change in present value of contingent consideration (1)		—		443
Included in other comprehensive income (loss)		(6)		—
Contingent consideration payments		—		(2,100)
Balance, August 31, 2016	\$	1,647	\$	36,618

(1) Change in present value of contingent consideration is included in earnings and comprised of changes in estimated earn out payments based on projections of company performance and the amortization of the present value discount.

Contingent Liabilities for Acquisition Earn Outs

Certain of our business combinations involve the potential for the payment of future contingent consideration upon the achievement of certain product development milestones or various other performance conditions. Payment of the additional consideration is generally contingent on the acquired company reaching certain performance milestones, including attaining specified revenue levels or product development targets. Contingent consideration is recorded at the estimated fair value of the contingent payments on the acquisition date. The fair value of the contingent consideration is remeasured at the estimated fair value at each reporting period with the change in fair value recognized as income or expense within change in fair value of contingent consideration in the consolidated statements of income. We measure the initial liability and remeasure the liability on a recurring basis using Level 3 inputs as defined under authoritative guidance for fair value measurements.

The fair value of our liability for contingent consideration is determined using a discounted cash flow model applied to projected net sales, using probabilities of achieving projected net sales and projected payment dates. Projected net sales are based on our internal projections and extensive analysis of the target market and the sales potential. Increases or decreases in any valuation inputs in isolation may result in a significantly lower or higher fair value measurement in the future. At August 31, 2016, the revenue based payments are being calculated based on our current sales forecast which is at the minimums for contingent payments.

The recurring Level 3 fair value measurements of the contingent consideration liabilities include the following significant unobservable inputs as of August 31, 2016 (in thousands of dollars):

	Fair value at Aug 31, 2016	Valuation Technique	Unobservable Input	Range
Revenue based payments	\$ 33,555	Discounted cash flow	Discount rate	4%
			Probability of achieving sales	75-100%
			Projected fiscal year of payment	2017 - 2023
Milestone based payments	3,063	Discounted cash flow	Discount rate	16%
			Probability of achieving milestone	75-100%
			Projected fiscal year of payment	2017
Total	\$ 36,618			

At August 31, 2016, the estimated potential amount of undiscounted future contingent consideration that we expect to pay as a result of all completed acquisitions is approximately \$38.7 million. The milestones, including sales projections, associated with the contingent consideration must be reached in future periods ranging from fiscal years 2017 to 2023 in order for the associated consideration to be paid.

NOTE L – MARKETABLE SECURITIES

Marketable securities, which are principally government agency bonds, auction rate investments and corporate commercial paper, are classified as “available-for-sale securities” and are reported at fair value, with unrealized gains and losses excluded from operations and reported as accumulated other comprehensive income (loss), net of the related tax effects, in stockholders’ equity. Cost is determined using the specific identification method. We hold investments in auction rate securities in order to generate higher than typical money market rate investment returns. Auction rate securities typically are high credit quality, generally achieved with municipal bond insurance. Credit risks are eased by the historical track record of bond insurers, which back a majority of this market. Sell orders for any security traded through an auction process could exceed bids and, in such cases, the auction fails and we may be unable to liquidate our position in the securities in the near term. As of August 31, 2016 and May 31, 2016, we had \$1.6 million and \$1.7 million, respectively, in investments in two auction rate securities issued by New York state and local government authorities that failed auctions. The authorities are current in their interest payments on the securities. The auction rate securities mature in 2022 and 2029.

As of August 31, 2016 and May 31, 2016, marketable securities consisted of the following (in thousands of dollars):

	Amortized cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
As of August 31, 2016				
Available-for-sale securities				
U.S. government agency obligations	\$ 1,800	\$ —	\$ (153)	\$ 1,647
	<u>\$ 1,800</u>	<u>\$ —</u>	<u>\$ (153)</u>	<u>\$ 1,647</u>
As of May 31, 2016				
Available-for-sale securities				
U.S. government agency obligations	\$ 1,800	\$ —	\$ (147)	\$ 1,653
	<u>\$ 1,800</u>	<u>\$ —</u>	<u>\$ (147)</u>	<u>\$ 1,653</u>

NOTE M – COMMITMENTS AND CONTINGENCIES

Legal Proceedings

The Company is involved in various legal proceedings, including commercial, intellectual property, product liability, regulatory and environmental matters of a nature considered normal for its business. The Company accrues for amounts related to these matters if it is probable that a liability has been incurred, and an amount can be reasonably estimated. The Company discloses such matters when there is at least a reasonable possibility that a material loss may have been incurred. However, the Company cannot predict the outcome of any litigation or the potential for future litigation.

AngioDynamics v. biolitec

On January 2, 2008, we commenced an action in the United States District Court for the Northern District of New York entitled *AngioDynamics, Inc. v. biolitec, Inc.* In this action, we sought judgment against biolitec for defense and indemnification in two lawsuits which we previously settled. Our claims arise out of a Supply and Distribution Agreement (“SDA”) entered into with biolitec on April 1, 2002. On September 27, 2011, the U.S. District Court granted key portions of our motion for summary judgment in our legal case against biolitec. The Court also dismissed biolitec’s counterclaims against us. The court denied one portion of our summary judgment motion, which sought to recover additional costs from biolitec, leaving this for adjudication at trial. On November 8, 2012, the Court granted partial judgment to us in the amount of \$23.2 million. Biolitec appealed this judgment. On August 23, 2013, the U.S. Court of Appeals for the Second Circuit dismissed biolitec’s appeal.

In October 2009, we commenced an action in the United States District Court for the District of Massachusetts entitled *AngioDynamics, Inc. v. biolitec AG and Wolfgang Neuberger*. The Complaint in this action was amended in March 2010. This action seeks to recover against biolitec, Inc.'s parent entities and CEO for tortiously interfering with biolitec, Inc.'s contractual obligation to defend and indemnify us, and also seeks to pierce the corporate veil of biolitec, Inc. and to invalidate certain alleged fraudulent transfers in order to hold biolitec, Inc.'s parent entities jointly and severally liable for the alleged breach of the SDA. On September 13, 2012, the Massachusetts Court granted our request for a preliminary injunction prohibiting the downstream merger of biolitec AG with its Austrian subsidiary. On April 1, 2013, the U.S. Court of Appeals for the First Circuit affirmed the preliminary injunction. On January 14, 2014, the District Court entered judgment in our favor as to liability. On March 18, 2014, the District Court entered judgment in our favor against Biolitec AG, Biomed Technology Holdings, Ltd., and Wolfgang Neuberger, jointly and severally, in the amount of \$74.9 million. On March 11, 2015, the U.S. Court of Appeals for the First Circuit affirmed the judgment. The defendants petitioned to the U.S. Supreme Court for a writ of certiorari. The Supreme Court denied the petition on November 30, 2015. The defendants have also filed an appeal with the U.S. Court of Appeals for the First Circuit regarding civil contempt sanctions imposed by the Massachusetts District Court as a result of defendants' completion of the downstream merger in violation of the Court's injunction. On May 6, 2016, the First Circuit issued an opinion rejecting this latest appeal. On February 18, 2016, the Massachusetts District Court issued an order compelling the Massachusetts defendants to provide post-judgment discovery intended to aid us in potentially collecting our judgment. On March 21, 2016, the Massachusetts defendants noticed an appeal from this order. On August 31, 2016, the First Circuit dismissed that appeal. On June 27, 2016, we filed a motion asking the Massachusetts District Court to impose sanctions on the Massachusetts defendants for their failure to comply with the post-judgment discovery order.

On November 13, 2014, the U.S. District Court for the District of Massachusetts issued summonses to four Biolitec entities - Biolitec U.S., Inc., Biolitec Holding U.S., Inc., Biolitec Medical Devices, Inc., and CeramOptec Industries, Inc. - pursuant to Massachusetts trustee process. We sought to use this process to attach the assets of these entities in order to satisfy our judgment. The trustee process was automatically stayed when the four Biolitec entities filed Chapter 7 petitions in the U.S. Bankruptcy Court for the District of Delaware. However, on November 3, 2015, the Delaware Bankruptcy Court granted our request to modify the automatic stay to allow us to seek a default against the four Biolitec entities pursuant to trustee process. On January 21, 2016, the four Chapter 7 cases were transferred at our request to the U.S. Bankruptcy Court for the District of New Jersey.

On August 29, 2013, we became co-plaintiffs in an adversary proceeding in the United States Bankruptcy Court for the District of New Jersey entitled *Cyganowski, Trustee, et al. v. Biolitec U.S., Inc., et al.* In this action, we assert claims of conversion, unjust enrichment, tortious interference, and unfair competition against various biolitec entities for alleged violation of Bankruptcy Court settlement and sale orders under which we acquired certain assets of Biolitec, Inc. On September 3, 2013, we, along with our co-plaintiff, obtained a temporary restraining order against the defendants in this action. On January 22, 2015, the Bankruptcy Court entered a permanent injunction on our behalf for an additional two years.

C.R. Bard, Inc. v. AngioDynamics, Inc.

On January 11, 2012, C.R. Bard, Inc. ("Bard") filed a suit in the United States District Court of Utah claiming certain of our implantable port products infringe on three U.S. patents held by Bard (the "Utah Action"). Bard is seeking unspecified damages and other relief. The Court denied Bard's motion for pre-trial consolidation with separate actions it filed on the same day against Medical Components, Inc. and Smiths Medical ASD, Inc., but had asked for supplemental briefing on the issue of whether to conduct a common Markman hearing. Meanwhile, we filed petitions for reexamination in the US Patent and Trademark Office ("PTO") which seek to invalidate all three patents asserted by Bard in the litigation. Our petitions were granted and 40 of Bard's 41 patent claims were rejected and, following further proceedings, the Patent Office issued a Final Rejection of all 40 claims subject to reexamination. Thereafter, Bard filed appeals to the PTO Board of Appeals and Interferences for all three reexams. The parties completed briefing on the appeals and oral argument was held on June 18, 2015. The Patent Office has issued decisions in the three appeals. In one (issued on March 11, 2016 for US Patent No. 7,785,302), the rejections of six of the ten claims under reexamination were affirmed, but were reversed on four of the ten claims. In the second (issued on March 24, 2016 for U.S. Patent No. 7,959,615), the rejections of eight of the ten claims under reexamination were affirmed but the rejections of the other two of the ten claims were reversed. In the third (issued on March 29 for U.S. Patent No. 7,947,022) the rejections of all twenty claims under reexamination were affirmed. Bard has since filed Requests for Rehearing in all three reexamination appeals and the Company filed Requests for Rehearing in two of the reexamination appeals (the '302 and '615 patent reexaminations). Each party has filed comments in Opposition to the other party's Rehearing Requests, and we are awaiting the PTO determinations in all three reexaminations. The Utah Action has been stayed pending final resolution of the PTO process. We believe these claims are without merit and intend to defend them vigorously. We have not recorded an expense related to the outcome of this litigation because it is not yet possible to determine if a potential loss is probable nor reasonably estimable.

On March 10, 2015, C.R. Bard, Inc. and Bard Peripheral Vascular, Inc. ("Bard") filed suit in the United States District Court for the District of Delaware claiming certain of our implantable port products infringe on three U.S. patents held by Bard (the "Delaware Action"). Bard is seeking unspecified damages and other relief. The patents asserted in the Delaware Action are different than those asserted in the Utah Action. On June 1, 2015, we filed two motions in response to Bard's Complaint - one sought transfer to the District of Utah where the Utah Action is currently pending, and the other sought dismissal of the entire complaint on grounds that none of the claims in the asserted patents is directed to patent eligible subject matter under Section 101 of the Patent Statute and in light of recent authority from the U. S. Supreme Court. On January 12, 2016, the court issued a decision denying both motions. We have since served an Answer and Counterclaim to which Bard has served a Reply. On March 10, 2016, the Court held a case management conference, and, on March 14, 2016, the court entered a Scheduling Order which set, inter alia, a Markman hearing for March 10, 2017, a summary judgment hearing for December 8, 2017 and trial for March 12, 2018. The parties have since served various discovery requests on each other; on May 27, 2016 Bard served its Infringement Contentions which identified all the port products accused of infringement; and, on June 24, 2016, we served Invalidity Contentions which detail various grounds for invalidating the three asserted patents. We believe these claims are without merit and intend to defend them vigorously. We have not recorded an expense related to the outcome of this litigation because it is not yet possible to determine if a potential loss is probable nor reasonably estimable.

Governmental Investigations

LC Beads

In June 2014 we received a subpoena from the U.S. Department of Justice (the "DOJ") requesting documents in relation to a criminal and civil investigation the DOJ is conducting regarding BTG International, Inc.'s LC Bead® product beginning in 2003. RITA Medical Systems and AngioDynamics, Inc., after its acquisition of RITA, was the exclusive distributor of LC Beads in the United States from 2006 through December 31, 2011. We are cooperating fully with this investigation and at this time are unable to predict its scope, duration or outcome. We are unable at this time to reasonably estimate the amount or range of any loss, although it is possible that the amount of such loss could be material. In accordance with ASC 450, "Contingencies," or "ASC 450," no amount in respect of any potential liability in this matter, including for penalties, fines or other sanctions, has been accrued in the consolidated financial statements.

EVLTL

In April 2015 we received a subpoena from the DOJ requesting documents in relation to a criminal and civil investigation the DOJ is conducting regarding purported promotion of certain of AngioDynamics' VenaCure EVLTL products for un-cleared indications. We are cooperating fully with this investigation and at this time are unable to predict its scope, duration or outcome. We are unable at this time to reasonably estimate the amount or range of any loss, although it is possible that the amount of such loss could be material. In accordance with ASC 450, "Contingencies," or "ASC 450," no amount in respect of any potential liability in this matter, including for penalties, fines or other sanctions, has been accrued in the consolidated financial statements.

NOTE N – RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In August 2016, the Financial Accounting Standards Board ("FASB") issued ASU No. 2016-15, "Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments ("ASU 2016-15"). ASU 2016-15 identifies how certain cash receipts and cash payments are presented and classified in the Statement of Cash Flows under Topic 230. ASU 2016-15 is effective for the Company for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. ASU 2016-15 should be applied retrospectively and early adoption is permitted, including adoption in an interim period. The Company is currently in the process of evaluating the impact of ASU 2016-15 on its consolidated financial statements.

In May 2014, the Financial Accounting Standards Board ("FASB") issued ASU No. 2014-09, "Revenue from Contracts with Customers" ("ASU 2014-09"). ASU 2014-09 provides a single, comprehensive accounting model for revenues arising from contracts with customers that supersedes most of the existing revenue recognition guidance, including industry-specific guidance. Under this model, revenue is recognized at an amount that an entity expects to be entitled to upon transferring control of goods or services to a customer, as opposed to when risks and rewards transfer to a customer under existing revenue recognition guidance. ASU 2014-09 is effective for the Company beginning in its fiscal year 2018, and may be applied retrospectively to all prior periods presented or through a cumulative adjustment to the opening retained earnings balance in the year of adoption. The Company is currently in the process of evaluating the impact of ASU 2014-09 on its consolidated financial statements.

In June 2014, the FASB issued ASU 2014-12, Accounting for Share-Based Payments When the Terms of the Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period, that clarified that entities should treat performance targets that can be met after the requisite service period of a share-based payment award as performance conditions that affect vesting. Therefore, an entity would not record compensation expense related to an award for which transfer to the employee is contingent on the entity's satisfaction of a performance target until it becomes probable that the performance target is met. This ASU is effective for the Company in its first quarter beginning after January 1, 2016 and did not have a material impact on the Company's consolidated financial statements.

In April 2015, the FASB issued ASC Update No. 2015-03, Interest-Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs. Update No. 2015-03 requires debt issuance costs related to a recognized debt liability to be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. Update No. 2015-03 is effective for annual reporting periods beginning after December 15, 2015 and interim periods within those reporting periods. Early adoption is permitted for financial statements that have not been previously issued. This update was applied retrospectively as of August 31, 2016. The deferred financing fees included in other assets of \$0.8 million and \$0.9 million was classified as long-term debt for the periods August 31, 2016 and May 31, 2016, respectively, in the consolidated condensed balance sheet. This update did not impact the results of our operations.

In July 2015, the FASB issued ASC Update No. 2015-11, Inventory (Topic 330): Simplifying the Measurement of Inventory. Update No. 2015-11 more closely aligns the measurement of inventory in U.S. GAAP with the measurement of inventory in International Financial Reporting Standards by requiring companies using the first-in, first-out and average costs methods to measure inventory using the lower of cost and net realizable value, where net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. Update No. 2015-11 is effective for annual reporting periods beginning after December 15, 2016 and interim periods within those fiscal years. Update No. 2015-11 should be applied prospectively with earlier application permitted as of the beginning of an interim or annual reporting period. The adoption of Update No. 2015-11 is not expected to have a material impact on our financial position or results of operations.

In November 2015, the FASB issued ASC Update No. 2015-17, "Balance Sheet Classification of Deferred Taxes" as part of its simplification initiatives. This update requires deferred tax liabilities and assets to be classified as non-current on the consolidated condensed balance sheet for fiscal years beginning after December 15, 2016, and interim periods within those annual periods. Early application is permitted. An entity can elect to adopt prospectively or retrospectively to all periods presented. This update was applied retrospectively as of November 30, 2015.

In January 2016, the FASB issued ASU 2016-01, Financial Instruments - Overall (Subtopic 825-10). Update No. 2016-01 addresses certain aspects of recognition, measurement, presentation and disclosure of financial instruments. Update No. 2016-01 is effective for annual reporting periods beginning after December 15, 2017 and interim periods within those fiscal years and early application is permitted. The Company is currently in the process of evaluating the impact.

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). ASU 2016-02 increases transparency and comparability among organizations by recognizing lease assets and liabilities on the balance sheet and disclosing key information about leasing arrangements. For leases with a term or twelve months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and liabilities. ASU 2016-02 is effective for fiscal years beginning after December 15, 2018 and early application is permitted. The Company is currently in the process of evaluating the impact of ASU 2016-02 on its consolidated financial statements.

In March 2016, the FASB issued ASU 2016-09, Compensation - Stock Based Compensation (Topic 718: Improvements to Employee Share-Based Payment Accounting). ASU 2016-09 simplifies and improves various aspects of ASC 718 for share-based payments, including income tax items and the classification of these items on the statement of cash flows. ASU 2016-09 is effective for annual periods beginning after December 31, 2016 and early application is permitted. The Company is currently in the process of evaluating the impact of ASU 2016-09 on its consolidated financial statements.

NOTE O – RESTRUCTURING

For the three months ended August 31, 2016 and August 31, 2015 we had a restructuring of finance, research and development, and sales and marketing organizations to improve our profitability. As part of the restructuring, we recorded \$0.3 million and \$1.1 million of severance and restructuring expense during the three month periods, respectively, which is included in "Acquisition, restructuring and other items, net" in the statements of income.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following information should be read together with the consolidated condensed financial statements and the notes thereto and other information included elsewhere in this quarterly report on Form 10-Q.

Forward-Looking Statements

This quarterly report on Form 10-Q, including the sections entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations," contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements regarding AngioDynamics' expected future financial position, results of operations, cash flows, business strategy, budgets, projected costs, capital expenditures, products, competitive positions, growth opportunities, plans and objectives of management for future operations, as well as statements that include the words such as "expects," "reaffirms," "intends," "anticipates," "plans," "believes," "seeks," "estimates," or variations of such words and similar expressions, are forward-looking statements. These forward looking statements are not guarantees of future performance and are subject to risks and uncertainties. Investors are cautioned that actual events or results may differ from our expectations. Factors that may affect our actual results achieved include, without limitation, our ability to develop existing and new products, future actions by FDA or other regulatory agencies, results of pending or future clinical trials, the results of ongoing litigation, overall economic conditions, general market conditions, market acceptance, foreign currency exchange rate fluctuations, the effects on pricing from group purchasing organizations and competition, as well as our ability to integrate purchased businesses. Other risks and uncertainties include, but are not limited to, the factors described from time to time in our reports filed with the SEC.

Although we believe that the assumptions underlying the forward-looking statements contained herein are reasonable, any of the assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this quarterly report on Form 10-Q will prove to be accurate. In light of the significant uncertainties inherent in the forward-looking statements included herein, the inclusion of such information should not be regarded as a representation by us or any other person that our objectives and plans will be achieved. Any forward-looking statements are made pursuant to the Private Securities Litigation Reform Act of 1995 and, as such, speak only as of the date made. AngioDynamics disclaims any obligation to update the forward-looking statements. Investors are cautioned not to place undue reliance on these forward-looking statements which speak only as of the date stated, or if no date is stated, as of the date of this document.

Executive Overview

We design, manufacture and sell a wide range of medical, surgical and diagnostic devices used by professional healthcare providers for vascular access, for the treatment of peripheral vascular disease and for use in oncology and surgical settings. Our devices are generally used in minimally invasive, image-guided procedures. Most of our products are intended to be used once and then discarded, or they may be temporarily implanted for short- or long-term use.

Our sales and profitability growth depends, in part, on the introduction of new and innovative products, together with ongoing enhancements to our existing products. Expansions to our product offerings are created through internal product development, technology licensing and strategic alliances. In recent years we have acquired or developed, and launched several new products, including the AngioVac cannula and circuit, the BioFlo family of products, NanoKnife and the Acculis microwave system, which are all expected to be growth drivers of our business. We recognize the importance of, and intend to continue to make investments in, research and development activities and business development opportunities.

We sell our products in the United States through a direct sales force and outside the U.S. through a combination of direct sales and distributor relationships. We expect our international business to grow in both sales and profit through geographic expansion, market penetration, and increasing our direct presence.

During the first quarter of fiscal 2017, Michael C. Greiner was appointed Executive Vice President and Chief Financial Officer of the Company.

In evaluating the operating performance of our business management focuses on revenue growth, constant currency revenue growth, operating income, earnings per share and cash flow from operations. A summary of these key financial metrics for the quarter ended August 31, 2016 compared to the quarter ended August 31, 2015 are as follows:

First quarter 2017

- Reported revenue increased by 5% to \$88.1 million.
- Constant currency revenue increased by 5%.
- Operating income increased by \$3.4 million to \$3.6 million.
- Earnings per share increased by \$0.06 to \$0.04.
- Cash flow from operations increased by \$2.7 million to \$7.4 million.

For our first quarter results, revenue growth was primarily driven by growth in the Peripheral Vascular franchise as a result of opportunities created by the Cook Medical recall. Other favorable trends and growth drivers include the solid performance of BioFlo in both Midline and Dialysis, as well as growth NanoKnife and Microwave in the Oncology/Surgery business. The increase in operating income was driven by volume growth and continued margin improvements.

Management's Use of Non-GAAP Measures

Net sales “on a constant currency basis” is a non-GAAP measure. The company analyzes net sales on a constant currency basis to better measure the comparability of results between periods. Because changes in foreign currency exchange rates have a non-operating impact on net sales, the company believes that evaluating growth in net sales on a constant currency basis provides an additional and meaningful assessment of net sales to both management and the company’s investors. Constant currency growth rates are calculated by translating the current period’s local currency sales by the prior period’s exchange rate.

Constant currency growth rates are not indicative of changes in corresponding cash flows. The limitation of these non-GAAP measures is that they do not reflect results on a standardized reporting basis. Non-GAAP measures are intended to supplement the applicable GAAP disclosures and should not be viewed as replacements of GAAP results.

New Accounting Pronouncements

Information regarding new accounting pronouncements is included in Note N to our consolidated condensed financial statements in this Quarterly Report on Form 10-Q.

Results of Operations for the Three Months ended August 31, 2016 and August 31, 2015

For the three months ended August 31, 2016, we reported net income of \$1.3 million, or \$0.04 per diluted share, on net sales of \$88.1 million, compared with a net loss of \$(0.8) million, or \$(0.02) per share, on net sales of \$83.8 million during the same quarter of the prior year.

Net Sales

Net sales - Net sales are derived from the sale of our products and related freight charges, less discounts and returns.

Net sales for the three months ended August 31, 2016 and August 31, 2015:

	Three months ended			Currency Impact (Pos) Neg	Constant Currency
	Aug 31, 2016	Aug 31, 2015	% Growth		
Net Sales by Product Category					
Peripheral Vascular	\$ 51,409	\$ 47,106	9%		
Vascular Access	25,005	24,645	1%		
Oncology/Surgery	11,064	11,334	-2%		
Total Excluding Supply Agreement	87,478	83,085	5%	0%	5%
Supply Agreement	620	668	-7%	0%	-7%
Total	\$ 88,098	\$ 83,753	5%	0%	5%
Net Sales by Geography					
United States	\$ 71,753	\$ 68,369	5%	0%	5%
International	15,725	14,716	7%	1%	8%
Supply Agreement	620	668	-7%	0%	-7%
Total	\$ 88,098	\$ 83,753	5%	0%	5%

For the three months ended August 31, 2016, net sales increased \$4.3 million to \$88.1 million compared to the same period in the prior year. As shown in the table above, consolidated net sales increased by 5%.

From a product line perspective, Peripheral Vascular sales increased \$4.3 million primarily attributable to increased volume in our angiographic product line which is offsetting softness in the remaining Peripheral Vascular business. Vascular Access sales increased \$0.4 million or 1% due in continued strength in our BioFlo Midline and Dialysis products offsetting softness in the remaining Vascular Access. Oncology Surgery sales decreased 2% driven by lower RF sales which are partially offset by increased Microwave and NanoKnife disposable sales.

From a geographic perspective, U.S. sales increased \$3.4 million due primarily to increased volume in the angiographic product line, BioFlo Midlines and NanoKnife. International sales increased 8% on a constant-currency basis, primarily attributable to growth in the angiographic product line offset by decreases in our RF products and Nano disposable sales.

Gross Profit, Operating expenses, and Other income (expense)

	Three months ended		
	Aug 31, 2016	Aug 31, 2015	% Change
Gross profit	\$ 45.0	\$ 43.4	4 %
Gross profit % of sales	51.1%	51.8%	
Research and development	\$ 6.7	\$ 6.1	10 %
% of sales	7.6%	7.3%	
Selling and marketing	\$ 19.5	\$ 21.2	-8 %
% of sales	22.1%	25.3%	
General and administrative	\$ 8.2	\$ 7.9	4 %
% of sales	9.3%	9.4%	
Medical device excise tax	\$ —	\$ 1.0	-100 %
% of sales	—%	1.2%	

Gross profit - Gross profit consists of net sales less the cost of goods sold, which includes the costs of materials, products purchased from third parties and sold by us, manufacturing personnel, royalties, freight, business insurance, depreciation of property and equipment and other manufacturing overhead. The \$1.6 million increase compared to 2016 is primarily attributable to sales volume and net plant productivity offset by pricing pressures and product mix.

Research and development expenses - Research and development (“R&D”) expenses include internal and external costs to develop new products, enhance existing products, validate new and enhanced products, manage clinical, regulatory and medical affairs. R&D expenses increased \$0.6 million for the three months ending August 31, 2016 due to investments in a new product development process (\$0.2 million) and Regulatory and registration costs (\$0.4million).

Sales and marketing expenses - Sales and marketing (“S&M”) expenses consist primarily of salaries, commissions, travel and related business expenses, attendance at medical society meetings, product promotions and marketing activities. S&M expenses decreased by \$1.7 million for the three months ending August 31, 2016 due to open positions (\$0.6 million), reduced travel costs (\$0.3 million), meetings expenses (\$0.4M), bad debt expense (\$0.2 million) and other (\$0.2 million).

General and administrative expenses - General and administrative (“G&A”) expenses include executive management, finance, information technology, human resources, business development, legal, and the administrative and professional costs associated with those activities. G&A expenses increased \$0.3 million for the three months ended August 31, 2016 due to timing of professional fees (\$0.3 million) and executive restructuring which led to higher recruiting costs, relocations and bonus (\$0.3 million) offset by fully depreciated assets in the end of FY16 (\$0.3 million).

Medical device excise tax - Medical devices excise tax is assessed on our US product sales subject to exclusions and adjustments. The expense decreased for the three months ending August 31, 2016 compared to the prior year due to the suspension of the medical device excise tax as of the end of December 2015.

	Three months ended		
	Aug 31, 2016	Aug 31, 2015	\$ Change
Amortization of intangibles	\$ 4.2	\$ 4.4	\$ (0.2)
Change in fair value of contingent consideration	\$ 0.4	\$ 0.4	\$ —
Acquisition, restructuring and other items, net	\$ 2.4	\$ 2.1	\$ 0.3
Other expense	\$ (0.7)	\$ (0.9)	\$ 0.2

Amortization of intangibles - Amortization of intangibles decreased from the three months ending August 31, 2016 to August 31, 2015 primarily due to an intangible becoming fully amortized.

Change in fair value of contingent consideration - Represents changes in the contingent consideration driven by changes to estimated future payments on earn-out liabilities created through acquisitions and amortization of present value discounts on

long-term contingent consideration. The changes were consistent for the three months ended August 31, 2016 and August 31, 2015.

Acquisition, restructuring and other items, net - Expense for the three months ended August 31, 2016 consists primarily of \$0.3 million in severance, \$1.8 million in litigation expense and other miscellaneous items. The three months ended August 31, 2015 included \$0.4 million in accelerated depreciation, \$1.3 million in litigation expense and other miscellaneous items.

Other expenses - Other expenses include interest expense, foreign currency impacts, bank fees, and amortization of deferred financing costs. Expenses were consistent year over year in composition.

	Three months ended	
	Aug 31, 2016	Aug 31, 2015
Income tax expense (benefit)	\$ 1.6	\$ 0.1
Effective tax rate including discrete items	55.2%	(9.9)%

Income taxes - Our effective tax rate including discrete items for the three month periods ended August 31, 2016 and August 31, 2015 was 55.2% and (9.9)%, respectively. The change in the effective tax rate, detailed in Note G, is primarily driven by the impact of the US valuation allowance and the deferred tax liability related to intangibles that have an indefinite reversal period and cannot be used to support the deferred tax assets.

Liquidity and Capital Resources

Our cash and cash equivalents totaled \$37.4 million as of August 31, 2016, compared with \$32.3 million as of May 31, 2015. Marketable securities totaled \$1.6 million and \$1.7 million as of August 31, 2016 and May 31, 2016, respectively, and consist of auction rate securities. As of August 31, 2016, total debt was \$118.2 million and the fair value of contingent consideration payments was \$36.6 million.

The table below summarizes our cash flows for the three months ended August 31, 2016 and August 31, 2015 (in thousands of dollars):

	Three Months Ended	
	Aug 31, 2016	Aug 31, 2015
Cash provided by (used in):		
Operating activities	\$ 7,440	\$ 4,699
Investing activities	(481)	(743)
Financing activities	(1,797)	(2,071)
Effect of exchange rate changes on cash and cash equivalents	(84)	(8)
Net change in cash and cash equivalents	\$ 5,078	\$ 1,877

Cash provided by operating activities during the three months ended August 31, 2016 and August 31, 2015, was primarily the result of net income (loss) excluding non-cash items offset by unfavorable shifts in working capital. In the current year period, favorable working capital change in accounts receivable were offset by negative movements in payables and accrued expenses and inventory due to inventory build to meet demands.

The net cash used in investing activities for the current year period consisted of \$0.5 million in fixed asset additions. The prior year use of cash consisted primarily of \$0.7 million of fixed asset additions.

The net cash provided by financing activities is the result of a \$2.8 of proceeds from stock option and ESPP activity offset by \$2.1 million in payments on earn-out liabilities and \$2.5 million in repayments on long-term debt.

The Company will make payments to EmboMedics upon the achievement of certain milestones as prescribed by the agreement disclosed in Note C. This will affect cash flows, the amount of contractual obligations and the liquidity calculation.

We believe that our current cash and investment balances, together with cash generated from operations and our remaining revolving credit facility capacity of \$64.0 million as of August 31, 2016, will provide sufficient liquidity to meet our anticipated needs for capital for at least the next 12 months. If we seek to make significant acquisitions of other businesses or technologies in the future for cash, we may require external financing.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are exposed to market risk from changes in currency exchange rates, as well as interest rate fluctuations on our credit facility and investments that could impact our results of operations and financial position.

We transact sales in currencies other than the U.S. Dollar, particularly the Euro, British pound and Canadian dollar. Approximately 7% of our sales in fiscal 2016 were denominated in foreign currencies. We do not have expenses denominated in foreign currencies at the level of our sales and as a result, our profitability is exposed to currency fluctuations. When the U.S. Dollar strengthens, our sales and gross profit will be negatively impacted. In addition, we have assets and liabilities denominated in non-functional currencies which are remeasured at each reporting period, with the offset to changes presented as a component of Other Income (Expenses). Significant non-functional balances include a Euro-denominated contingent liability and accounts receivable due from a sub-section of our international customers.

On September 19, 2013, we entered into a Credit Agreement (the "Credit Agreement") which provides for a \$100 million senior secured term loan facility ("Term Loan") and a \$100 million senior secured revolving credit facility (the "Revolving Facility", and together with the Term Loan, the "Facilities"). Interest on both the Term Loan and Revolver is based on a base rate or Eurodollar rate plus an applicable margin which increases as our total leverage ratio increases, with the base rate and Eurodollar rate having ranges of 0.50% to 1.25% and 1.50% to 2.25% respectively. In the event of default, the interest rate may be increased by 2.0%. Changes in the interest rate would not be material.

Our excess cash is invested in highly liquid, short-term, investment grade securities with maturities primarily of less than two years. These investments are not held for speculative or trading purposes. Changes in interest rates may affect the investment income we earn on cash, cash equivalents and marketable securities and therefore affect our cash flows and results of operations. We hold investments in auction rate securities ("ARS") in order to generate higher than typical money market investments. ARS typically are high credit quality, generally issued with municipal bond insurance. Credit risks are eased by the historical track record of bond insurers, which back a majority of this market. Sell orders for any security traded through an auction process could exceed bids. Such instances are usually the result of a drastic deterioration of issuer credit quality. Should there be a failed auction, we may be unable to liquidate our position in the securities in the near term. We have \$1.7 million in investments in two auction rate securities issued by New York state and local government authorities that have failed auctions. The authorities are current in their interest payments on the securities.

Item 4. Controls and Procedures.

Evaluation of disclosure controls and procedures

As of the end of the period covered by this report, our management, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rule 13a-15(b) of the Securities Exchange Act of 1934, as amended. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that our disclosure controls and procedures as of the end of the period covered by this report were effective to provide reasonable assurance that the information required to be disclosed by us in reports filed under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms and is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting for the fiscal quarter ended August 31, 2016 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

AngioDynamics, Inc. and Subsidiaries

PART II: OTHER INFORMATION

Item 1. Legal Proceedings.

AngioDynamics v. biolitec

On January 2, 2008, we commenced an action in the United States District Court for the Northern District of New York entitled *AngioDynamics, Inc. v. biolitec, Inc.* In this action, we sought judgment against biolitec for defense and indemnification in two lawsuits which we previously settled. Our claims arise out of a Supply and Distribution Agreement (“SDA”) entered into with biolitec on April 1, 2002. On September 27, 2011, the U.S. District Court granted key portions of our motion for summary judgment in our legal case against biolitec. The Court also dismissed biolitec’s counterclaims against us. The court denied one portion of our summary judgment motion, which sought to recover additional costs from biolitec, leaving this for adjudication at trial. On November 8, 2012, the Court granted partial judgment to us in the amount of \$23.2 million. Biolitec appealed this judgment. On August 23, 2013, the U.S. Court of Appeals for the Second Circuit dismissed biolitec’s appeal.

In October 2009, we commenced an action in the United States District Court for the District of Massachusetts entitled *AngioDynamics, Inc. v. biolitec AG and Wolfgang Neuberger*. The Complaint in this action was amended in March 2010. This action seeks to recover against biolitec, Inc.’s parent entities and CEO for tortiously interfering with biolitec, Inc.’s contractual obligation to defend and indemnify us, and also seeks to pierce the corporate veil of biolitec, Inc. and to invalidate certain alleged fraudulent transfers in order to hold biolitec, Inc.’s parent entities jointly and severally liable for the alleged breach of the SDA. On September 13, 2012, the Massachusetts Court granted our request for a preliminary injunction prohibiting the downstream merger of biolitec AG with its Austrian subsidiary. On April 1, 2013, the U.S. Court of Appeals for the First Circuit affirmed the preliminary injunction. On January 14, 2014, the District Court entered judgment in our favor as to liability. On March 18, 2014, the District Court entered judgment in our favor against Biolitec AG, Biomed Technology Holdings, Ltd., and Wolfgang Neuberger, jointly and severally, in the amount of \$74.9 million. On March 11, 2015, the U.S. Court of Appeals for the First Circuit affirmed the judgment. The defendants petitioned to the U.S. Supreme Court for a writ of certiorari. The Supreme Court denied the petition on November 30, 2015. The defendants have also filed an appeal with the U.S. Court of Appeals for the First Circuit regarding civil contempt sanctions imposed by the Massachusetts District Court as a result of defendants’ completion of the downstream merger in violation of the Court’s injunction. On May 6, 2016, the First Circuit issued an opinion rejecting this latest appeal. On February 18, 2016, the Massachusetts District Court issued an order compelling the Massachusetts defendants to provide post-judgment discovery intended to aid us in potentially collecting our judgment. On March 21, 2016, the Massachusetts defendants noticed an appeal from this order. On August 31, 2016, the First Circuit dismissed that appeal. On June 27, 2016, we filed a motion asking the Massachusetts District Court to impose sanctions on the Massachusetts defendants for their failure to comply with the post-judgment discovery order.

On November 13, 2014, the U.S. District Court for the District of Massachusetts issued summonses to four Biolitec entities - Biolitec U.S., Inc., Biolitec Holding U.S., Inc., Biolitec Medical Devices, Inc., and CeramOptec Industries, Inc. - pursuant to Massachusetts trustee process. We sought to use this process to attach the assets of these entities in order to satisfy our judgment. The trustee process was automatically stayed when the four Biolitec entities filed Chapter 7 petitions in the U.S. Bankruptcy Court for the District of Delaware. However, on November 3, 2015, the Delaware Bankruptcy Court granted our request to modify the automatic stay to allow us to seek a default against the four Biolitec entities pursuant to trustee process. On January 21, 2016, the four Chapter 7 cases were transferred at our request to the U.S. Bankruptcy Court for the District of New Jersey.

On August 29, 2013, we became co-plaintiffs in an adversary proceeding in the United States Bankruptcy Court for the District of New Jersey entitled *Cyganowski, Trustee, et al. v. Biolitec U.S., Inc., et al.* In this action, we assert claims of conversion, unjust enrichment, tortious interference, and unfair competition against various biolitec entities for alleged violation of Bankruptcy Court settlement and sale orders under which we acquired certain assets of Biolitec, Inc. On September 3, 2013, we, along with our co-plaintiff, obtained a temporary restraining order against the defendants in this action. On January 22, 2015, the Bankruptcy Court entered a permanent injunction on our behalf for an additional two years.

C.R. Bard, Inc. v. AngioDynamics, Inc.

On January 11, 2012, C.R. Bard, Inc. (“Bard”) filed a suit in the United States District Court of Utah claiming certain of our implantable port products infringe on three U.S. patents held by Bard (the “Utah Action”). Bard is seeking unspecified damages and other relief. The Court denied Bard’s motion for pre-trial consolidation with separate actions it filed

on the same day against Medical Components, Inc. and Smiths Medical ASD, Inc., but had asked for supplemental briefing on the issue of whether to conduct a common Markman hearing. Meanwhile, we filed petitions for reexamination in the US Patent and Trademark Office ("PTO") which seek to invalidate all three patents asserted by Bard in the litigation. Our petitions were granted and 40 of Bard's 41 patent claims were rejected and, following further proceedings, the Patent Office issued a Final Rejection of all 40 claims subject to reexamination. Thereafter, Bard filed appeals to the PTO Board of Appeals and Interferences for all three reexams. The parties completed briefing on the appeals and oral argument was held on June 18, 2015. The Patent Office has issued decisions in the three appeals. In one (issued on March 11, 2016 for US Patent No. 7,785,302), the rejections of six of the ten claims under reexamination were affirmed, but were reversed on four of the ten claims. In the second (issued on March 24, 2016 for U.S. Patent No. 7,959,615), the rejections of eight of the ten claims under reexamination were affirmed but the rejections of the other two of the ten claims were reversed. In the third (issued on March 29 for U.S. Patent No. 7,947,022) the rejections of all twenty claims under reexamination were affirmed. Bard has since filed Requests for Rehearing in all three reexamination appeals and the Company filed Requests for Rehearing in two of the reexamination appeals (the '302 and '615 patent reexaminations). Each party has filed comments in Opposition to the other party's Rehearing Requests, and we are awaiting the PTO determinations in all three reexaminations. The Utah Action has been stayed pending final resolution of the PTO process. We believe these claims are without merit and intend to defend them vigorously. We have not recorded an expense related to the outcome of this litigation because it is not yet possible to determine if a potential loss is probable nor reasonably estimable.

On March 10, 2015, C.R. Bard, Inc. and Bard Peripheral Vascular, Inc. ("Bard") filed suit in the United States District Court for the District of Delaware claiming certain of our implantable port products infringe on three U.S. patents held by Bard (the "Delaware Action"). Bard is seeking unspecified damages and other relief. The patents asserted in the Delaware Action are different than those asserted in the Utah Action. On June 1, 2015, we filed two motions in response to Bard's Complaint - one sought transfer to the District of Utah where the Utah Action is currently pending, and the other sought dismissal of the entire complaint on grounds that none of the claims in the asserted patents is directed to patent eligible subject matter under Section 101 of the Patent Statute and in light of recent authority from the U. S. Supreme Court. On January 12, 2016, the court issued a decision denying both motions. We have since served an Answer and Counterclaim to which Bard has served a Reply. On March 10, 2016, the Court held a case management conference, and, on March 14, 2016, the court entered a Scheduling Order which set, inter alia, a Markman hearing for March 10, 2017, a summary judgment hearing for December 8, 2017 and trial for March 12, 2018. The parties have since served various discovery requests on each other; on May 27, 2016 Bard served its Infringement Contentions which identified all the port products accused of infringement; and, on June 24, 2016, we served Invalidity Contentions which detail various grounds for invalidating the three asserted patents. We believe these claims are without merit and intend to defend them vigorously. We have not recorded an expense related to the outcome of this litigation because it is not yet possible to determine if a potential loss is probable nor reasonably estimable.

Governmental Investigations

LC Beads

In June 2014 we received a subpoena from the U.S. Department of Justice (the "DOJ") requesting documents in relation to a criminal and civil investigation the DOJ is conducting regarding BTG International, Inc.'s LC Bead® product beginning in 2003. RITA Medical Systems and AngioDynamics, Inc., after its acquisition of RITA, was the exclusive distributor of LC Beads in the United States from 2006 through December 31, 2011. We are cooperating fully with this investigation and at this time are unable to predict its scope, duration or outcome. We are unable at this time to reasonably estimate the amount or range of any loss, although it is possible that the amount of such loss could be material. In accordance with ASC 450, "Contingencies," or "ASC 450," no amount in respect of any potential liability in this matter, including for penalties, fines or other sanctions, has been accrued in the consolidated financial statements.

EVLTL

In April 2015 we received a subpoena from the DOJ requesting documents in relation to a criminal and civil investigation the DOJ is conducting regarding purported promotion of certain of AngioDynamics' VenaCure EVLTL products for un-cleared indications. We are cooperating fully with this investigation and at this time are unable to predict its scope, duration or outcome. We are unable at this time to reasonably estimate the amount or range of any loss, although it is possible that the amount of such loss could be material. In accordance with ASC 450, "Contingencies," or "ASC 450," no amount in respect of any potential liability in this matter, including for penalties, fines or other sanctions, has been accrued in the consolidated financial statements.

Item 1A. Risk Factors.

In addition to information set forth in this report, you should carefully consider the factors discussed in “Part I, Item 1A. Risk Factors” of our annual report on Form 10-K for our fiscal year ended May 31, 2016 which set forth information relating to important risks and uncertainties that could materially adversely affect our business, financial condition or operating results. You should review and consider such Risk Factors in making any investment decision with respect to our securities. An investment in our securities continues to involve a high degree of risk. There have been no material changes to the risk factors previously disclosed in our annual report on Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

The following table provides information with respect to the shares of the Company's common stock repurchased during the three months ended August 31, 2016:

Period	Issuer Purchases of Equity Securities			
	Total Number of Shares Purchased (1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Programs	Maximum Approximate Dollar Value of Shares that May Yet Be Purchased Under Plans or Programs
June 1 - June 30, 2016	—	\$ —	—	—
July 1 - July 31, 2016	9,063	\$ 15.73	—	—
August 1 - August 31, 2016	7,092	\$ 16.02	—	—
Total	16,155	\$ 15.85	—	—

(1) The Company repurchased 16,155 shares during the three months ended August 31, 2016 from employees to satisfy tax withholding requirements on the vesting of restricted shares from equity-based awards.

Item 3. Defaults on Senior Securities.

None.

Item 4. Mine Safety Disclosures.

None.

Item 5. Other Information.

None.

Item 6. Exhibits.

EXHIBIT INDEX

<u>No.</u>	<u>Description</u>
10.1	AngioDynamics 2016 Total Shareholder Return Performance Unit Agreement Program.
10.2	Form of 2015 Performance Share Award Agreement pursuant to the AngioDynamics, Inc. 2004 Stock and Incentive Award Plan.
10.3	Change in Control Agreement, effective August 18, 2016, between AngioDynamics, Inc. and Michael C. Greiner.
31.1	Certification pursuant to Rule 13a-14(a) or 15d-14 under the Securities Exchange Act of 1934.
31.2	Certification pursuant to Rule 13a-14(a) or 15d-14 under the Securities Exchange Act of 1934.
32.1	Certification of Chief Executive Officer pursuant to Title 18, United States Code, Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Chief Financial Officer pursuant to Title 18, United States Code, Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document
101.SCH	XBRL Schema Document
101.CAL	XBRL Calculation Linkbase Documents
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Labels Linkbase Documents
101.PRE	XBRL Presentation Linkbase Documents

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 thereunto duly authorized.

ANGIODYNAMICS, INC.
(Registrant)

Date: October 5, 2016

/ S / JAMES C. CLEMMER

**James C. Clemmer, President,
Chief Executive Officer
(Principal Executive Officer)**

Date: October 5, 2016

/ S / MICHAEL C. GREINER

**Michael C. Greiner, Executive Vice President,
Chief Financial Officer
(Principal Financial and Principal Accounting Officer)**



**Total Shareholder Return Performance Unit Award Program (the “Program”)
Performance Period July 15, 2016 – July, 2019**

I. Purpose of the Program

The purpose of the Program is to align AngioDynamics’ executive compensation program with the interests of shareholders and to reinforce the concept of pay for performance by comparing the relative Total Shareholder Return (“TSR”) of shares of AngioDynamics’ Common Stock (the “Common Stock”) to the TSR of a pre-defined peer group (the “Peer Group”) of companies over a three-year period beginning on July 15, 2016.

The Program entails the grant of Performance Unit Awards, and the program shall be administered under the AngioDynamics 2004 Stock and Incentive Award Plan, as amended (the “Plan”). Terms not defined in this Program document but defined in the Plan shall have the meaning ascribed to such term in the Plan. The Program is established under section 5.II of the Plan and is intended to qualify for the performance-based compensation exception under Section 162(m) of the Internal Revenue Code (“Code”).

II. Eligible Participants

The Program covers members of the Executive Management Team (“EMT”) on the date that awards are granted under the Program as determined and in the amounts established by the Board of Directors (the “Board”).

The Board may review Program eligibility criteria for Participants in the Program from time to time and may revise such criteria at any time, even within a Program year, with or without notice and within its sole discretion.

III. Performance Share Units

Pursuant to the Plan and this Program, the Board may, in its sole discretion, grant Performance Unit Awards to members of the EMT (the “Grant Date”). Each Performance Unit Award shall specify a target number of shares of Common Stock underlying the Performance Unit Award (the “Target Amount”). Shares of Common Stock underlying the Performance Unit Award granted under the Program (the “Performance Unit Awards”) shall be issued only upon satisfaction of both the performance vesting criteria described in this Section III and the payment eligibility criteria described in Section VII. The applicable performance criteria are based on the TSR of AngioDynamics’ Common Stock relative to the TSR of the common stock of the companies in the Peer Group.

The TSR for AngioDynamics and all other companies in the Peer Group will be measured over a three-year period beginning on July 15, 2016 and ending on the day that is the second trading day following AngioDynamics’ annual earnings announcement for its fiscal year ended May 31, 2019 (the “Performance Period”).

The number of shares of Common Stock that vest under the Performance Unit Award will be in a range of 0% to 200% of the Target Amount of shares of Common Stock pursuant to the Performance Unit Award granted to the Participant based upon AngioDynamics’ TSR percentile ranking relative to the Peer Group as follows:

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

If the minimum level of performance set forth above is achieved for the Performance Period, the number of shares of Common Stock vesting under the Performance Unit Award will be calculated linearly between each set of data points.

Following the end of the Performance Period, the Board shall determine the number of shares of Common Stock, based upon the total number of shares of Common Stock underlying the Target amount of the Performance Unit Award, that shall become vested

pursuant to AngioDynamics' relative TRS percentile rank during the Performance Period pursuant to the table set forth above.

The Board shall issue a number of shares of Common Stock underlying the Performance Unit Award to the Participant in accordance with this Program and the applicable grant agreement equal to the number of shares of Common Stock, if any, that vested in the Performance Period.

The Board's determination regarding the Company's performance to the performance criteria with respect to the Performance Period shall be final and binding.

Shares of Common Stock will be delivered or otherwise made available to the Participant as soon as practicable (and in all events within sixty (60) days) after the end of the Performance Period. Any shares of Common Stock underlying a Performance Unit Award as to which the performance criteria of this Section III have not been satisfied as of the end of the Performance Period will be forfeited in their entirety.

IV. Calculation of Total Shareholder Return and Definitions

The TSR for AngioDynamics and each other company in the Peer Group shall include any cash dividends paid during the Performance Period and shall be determined as follows:

Total Shareholder Return for each Performance Cycle =

$$\text{(Change in Stock Price + Dividends Paid) / Beginning Stock Price}$$

"Beginning Stock Price" with respect to AngioDynamics means the closing price as quoted on the NASDAQ Global Select Market of one share of the Company's Common Stock on the beginning date of the Performance Period. "Beginning Stock Price" with respect to each other company in the Peer Group means the daily average closing price as quoted on the New York Stock Exchange or the NASDAQ Global Select Market, as applicable, of one (1) share of common stock for the two calendar months **prior** to the beginning of the Performance Period.

"Change in Stock Price" means the difference between the Beginning Stock Price and the Ending Stock Price.

"Dividends Paid" means the total of all cash dividends paid on one (1) share of stock during the Performance Period.

"Ending Stock Price" with respect to AngioDynamics means the closing price as quoted on the NASDAQ Global Select Market of one share of the Company's Common Stock on the ending date of the Performance Period. "Ending Stock Price" with respect to each other company in the Peer Group means the daily average closing price as quoted on the New York Stock Exchange or the NASDAQ Global Select Market, as applicable, of one (1) share of common stock for the last two calendar months of the Performance Period.

Example: If the Beginning Stock Price for a company was \$25.00 per share, and the company paid \$2.50 in dividends over the Performance Period, and the Ending Stock Price was \$30.00 per share (thereby making the Change in Stock Price \$5.00 (\$30.00 minus \$25.00)), then the TSR for that company would be thirty percent (30%). The calculation is as follows: **0.30** = $(\$5.00 + \$2.50) / \$25.00$

V. Calculation of Percentile Performance

Following the calculation of the TSR for the Performance Period for AngioDynamics and each other company in the Peer Group, AngioDynamics and the other companies in the Peer Group will be ranked, in order of maximum to minimum, according to their respective TSR for the Performance Period.

After this ranking, the percentile performance of AngioDynamics as compared to the other companies in the Peer Group shall be determined by the following formula:

“P” represents the percentile performance which will be rounded, if necessary, to the nearest whole percentile by application of standard scientific rounding conventions.

“N” represents the number of companies in the Peer Group, including AngioDynamics.

“R” represents AngioDynamics’ ranking versus the other companies in the Peer Group.

Example: If AngioDynamics ranked 10th out of 56 companies, the performance (“P”) therefore will be in the 84th percentile.

This calculation is as follows: $0.837 = 1 - (10 - 1) / (56 - 1)$

VI. Peer Group

The companies in the Peer Group can be found in Appendix A attached hereto.

If, during the Performance Period, two companies in the Peer Group merge, the surviving company shall remain in the Peer Group.

If, during the Performance Period, a company in the Peer Group merges with, or is acquired by, a company that is not in the Peer Group, and the company in the Peer Group is the surviving company, then the surviving company shall not be included in the Peer Group.

If, during the Performance Period, a company in the Peer Group merges with, or is acquired by, a company that is not in the Peer Group, and the company in the Peer Group is not the surviving company or the surviving company is no longer publicly traded, then the surviving company shall not be included in the Peer Group.

If, during the Performance Period, a company in the Peer Group sells all or substantially all of its assets, such company shall not be included in the Peer Group.

If, during the Performance Period, a company in the Peer Group splits-off or spins-off or consummates any other extraordinary reorganization transaction, and such spin-off, split-off or reorganization comprises more than 20% of the assets of the company prior to such spin-off, split-off or reorganization, such company shall not be included in the Peer Group.

If, during the Performance Period, a company in the Peer Group files for bankruptcy or otherwise ceases to be traded or quoted on any national exchange, such Company shall remain in the Peer Group. If no public stock price information is available for such company after it files for bankruptcy or otherwise ceases to be traded or quoted on a national securities exchange, the TSR for such company shall equal a total loss of equity (or -100%) during the Performance Period for which no stock price information is available.

The triggering event for determining whether a company shall be excluded from the Peer Group pursuant to this Section VI shall be the first official announcement of an SEC reportable event.

VII. Payment Eligibility Criteria

Except as set forth below with respect to a Change in Control or termination of employment due to Retirement, death, or Disability, (i) no shares of Common Stock underlying the Performance Unit Award shall issue prior to the end of the Performance Period and (ii) a participant must be employed by the Company (as defined below) through the end of the Performance Period to be eligible to receive shares of Common Stock that have vested under the Performance Unit Award pursuant to Section III of this Program.

Death. If the Participant’s employment with AngioDynamics or its subsidiaries or affiliates is terminated due to death on or after the Grant Date, but prior to the end of the Performance Period, the Performance Unit Award shall remain eligible to vest following the end date of the Performance Period according to the vesting provisions set forth in Section III of this Program and the

Participant shall receive a pro-rated portion of the Common Stock underlying the Performance Unit Award that would otherwise vest based upon the provisions set forth in Section III of this Program on the end date of the Performance Period, with the pro-rata portion based on the Participant's whole months of service with the Company during the Performance Period prior to the date of such termination; provided that a partial month of employment will be considered a whole "month of service" for purposes of this Program only if the Participant was employed by AngioDynamics for at least fifteen (15) days during such month. Any portion of the Performance Unit Award that remains unvested on the end date of the Performance Period (after giving effect to such pro-ration) shall be considered to have terminated on such date. The Participant may, from time to time, name any beneficiary or beneficiaries (who may be named contingently or successively) to whom any benefit granted to the Participant under this Program is to be paid in case of his or her death before he or she receives any or all such benefit. Each such designation shall revoke all prior designations by the Participant, shall be in a form prescribed by AngioDynamics, and will be effective only when filed by the Participant in writing with the Secretary of the Company during the Participant's lifetime. In the absence of any such designation, benefits remaining unpaid at the Participant's death shall be paid to the Participant's estate.

Retirement or Disability. If the Participant's employment with AngioDynamics or its subsidiaries or affiliates is terminated due to Retirement or Disability on or after the Grant Date, but prior to the end of the Performance Period, the Performance Unit Award shall remain eligible to vest pursuant to Section III of this Program on the end date of the Performance Period and the Participant shall receive a pro-rated portion of the Common Stock underlying the Performance Unit Award that would otherwise vest pursuant to Section III of this Program based on performance during the Performance Period, with the pro-rata portion based on the Participant's whole months of service with AngioDynamics during the Performance Period prior to the date of such termination; provided that a partial month of employment will be considered a whole "month of service" for purposes of this Agreement only if the Participant was employed by AngioDynamics for at least fifteen (15) days during such month. Any portion of the Performance Unit Award that remains unvested on the end date of the Performance Period (after giving effect to such pro-ration) shall be considered to have terminated on such date.

Other Termination of Employment -- Eligibility Conditions. If the Participant's employment with AngioDynamics or any and of its subsidiaries or affiliates is terminated or the Participant separates from AngioDynamics or its affiliates or subsidiaries for any reason other than death, Retirement or Disability, the Performance Unit Award shall terminate and no shares of Common Stock shall be issued.

Change in Control of the Company. Notwithstanding anything to the contrary in this Agreement, in the event of a Change in Control (as defined in this Program) of AngioDynamics on or after the Grant Date, but prior to the end of the Performance Period and prior to the Participant's termination of employment for any reason, the Participant shall immediately vest in 100% of the Target Amount of shares of Common Stock subject to the Performance Unit Award. Notwithstanding anything to the contrary in this Agreement, in the event the Participant's employment with AngioDynamics or any of its subsidiaries or affiliates terminates due to one of the reasons expressly covered above (except as described in "Other Termination of Employment" set forth above) and a Change in Control of AngioDynamics occurs subsequent to such a termination of employment (but during the Performance Period), the pro-rata vesting provided for in such sections shall be based on the Target Amount of shares of Common Stock subject to the Performance Unit Award. Any shares of Common Stock subject to the Performance Unit Award that become vested pursuant to this section of the Program shall be issued to the Participant upon or as soon as practicable (and in all events within thirty (30) days) after the effective date of the Change in Control of AngioDynamics (or, if so provided by the Board, immediately prior to the Change in Control). In the event a Change in Control of AngioDynamics occurs following the last day of the Performance Period, prior to the Participant's termination of employment for any reason, and prior to the date all vested shares of Common Stock underlying the Performance Unit Award are issued pursuant to this Program, any shares of Common Stock subject to the Performance Unit Award that became vested pursuant to this paragraph of the Program shall be issued to the Participant upon or as soon as practicable (and in all events within thirty (30) days) after the effective date of the Change in Control of AngioDynamics (or, if so provided by the Board, immediately prior to the Change in Control).

For the purposes of this Program, Change in Control shall mean shall mean that any of the following events has occurred:

- (i) any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company's then outstanding securities, excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in clause (A) of paragraph (iii) below; or
- (ii) the following individuals cease for any reason to constitute a majority of the number of directors serving on the Board: individuals who, at the beginning of any period of two consecutive years or less (not including any period prior to

the date of this Agreement), constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company's shareholders was approved or recommended by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of such period or whose appointment, election or nomination for election was previously so approved or recommended; or

(iii) there is consummated a merger or consolidation of the Company or any Subsidiary with any other corporation, other than (A) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any Subsidiary, at least 60% of the combined voting power of the securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (B) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company's then outstanding securities; or

(iv) the shareholders of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least 60% of the combined voting power of the voting securities of which are owned by shareholders of the Company in substantially the same proportions as their ownership of the Company immediately prior to such sale.

VIII. Termination, Suspension or Modification and Interpretation of the Program

The Board has sole authority over administration and interpretation of the Program and retains the right to exercise discretion as it sees fit, except that, the Board shall have no discretion to increase the number of shares of Common Stock in which a Participant may vest above the amount described in Section III. The Board may terminate, suspend or modify and if suspended, may reinstate with or without modification all or part of the Program at any time, with or without notice to the Participant. The Board reserves the exclusive right to determine eligibility to participate in this Program and to interpret all applicable terms and conditions, including eligibility criteria.

IX. Other

This document sets forth the terms of the Program and is not intended to be a contract or employment agreement between the Participant and AngioDynamics, its subsidiaries or affiliates. As applicable, it is understood that both the Participant and AngioDynamics have the right to terminate the Participant's employment with the company at any time, with or without cause and with or without notice, in acknowledgement of the fact that their employment relationship is "at will."

To the extent section 409A of the Code ("Section 409A") applies to any Performance Unit Award under this Program, the Performance Unit Award shall be interpreted in a manner consistent with Section 409A. Where Section 409A applies, in the case of any payment made on termination of employment, a termination of employment shall not be deemed to have occurred unless such termination is also a "separation from service" within the meaning of Section 409A and, for purposes of any such provision, references to a "termination," "termination of employment," or like terms shall mean "separation from service." Where Section 409A applies, in the case of a payment made upon a Change in Control, a Change in Control shall not be deemed to have occurred unless there is a change in the ownership or effective control of AngioDynamics, or in the ownership of a substantial portion of the assets of AngioDynamics, as defined in Section 409A. Where required by Section 409A in the case of a specified employee (as determined under Section 409A), payments on termination shall be made on the first business day of the seventh month following termination.

APPENDIX A

Abaxis Inc.	Integra Lifesciences Holdings Corporation
Abiomed Inc.	Intricon Corporation
Accuray Inc.	Intuitive Surgical, Inc.
AlphaTec Holdings Inc.	Invacare Corporation
Articure, Inc.	Lakeland Industries Inc.

Atrion Corporation
C.R. Bard, Inc.
Becton, Dickinson & Company
Boston Scientific Corporation
Cantel Medical Corp.
Conmed Corporation
CryoLife, Inc.
Cutera, Inc.
Cynosure, Inc.
Dexcom, Inc.
Digirad Corp
Edwards Lifesciences Corporation
Endologix, Inc.
Exactech, Inc.
Haemonetics Corporation
ICU Medical, Inc.
Insulet Corporation

Lemaitre Vascular, Inc.
Masimo Corporation
Merit Medical Systems, Inc.
Mine Safety Appliances Company
Natus Medical Incorporated
NuVasive, Inc.
NxStage Medical, Inc.
Resmed Inc.
RTI Surgical, Inc.
Span-America Medical Systems, Inc.
Spectranetics Corporation
St. Jude Medical, Inc.
Steris Corporation
Stryker Corporation
Teleflex Incorporated
Varian Medical Systems, Inc.
Vascular Solutions, Inc.



PERFORMANCE UNIT AWARD AGREEMENT

This Performance Unit Award Agreement (this “Agreement”), dated as of the 27th day of July, 2016 (the “Grant Date”), is between AngioDynamics, Inc., a Delaware corporation (the “Company”), and the (“Participant”), an employee of the Company or any of its affiliates or subsidiaries and whose name appears on the signature page hereto. All capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in either the AngioDynamics 2004 Stock and Incentive Award Plan, as amended (the “Plan”) or in the Total Shareholder Return Performance Unit Award Program (the “Program”) for the period beginning July 15, 2016 and ending on the date that is the second trading day following the Company’s annual earnings announcement for the fiscal year ending May 31, 2019 (the “Performance Period”).

1. Grant and Acceptance of Award. Effective as of the Grant Date, the Company hereby grants to the Participant a Performance Unit Award (the “Performance Unit Award”), subject to the terms and conditions set forth in this Agreement, the Program and the Plan, with respect to [TARGET AMOUNT] (the “Target Amount”) shares of the Company’s common stock, par value \$0.01 per share (the “Common Stock”). The grant of this Performance Unit Award shall not confer any right to the Participant (or any other participant) to be granted any Performance Unit Awards in the future under the Program.

2. Eligibility Conditions upon Performance Unit Award. The Participant hereby acknowledges the vesting of any shares of Common Stock underlying the Performance Unit Award is subject to certain eligibility, performance and other conditions set forth herein. All shares of Common Stock vested pursuant to the terms of this Agreement, the Program and the Plan shall be issued to the Participant as soon as practicable (and in all events within sixty (60) days) after the end of the Performance Period.

3. Satisfaction of Performance-Based Conditions. Subject to the eligibility conditions described in Section 7 of this Agreement, except as otherwise provided in Sections 5, 6 and 8 of this Agreement, and the satisfaction of the performance conditions set forth on Appendix A to this Agreement during the Performance Period, shares of Common Stock subject to the Performance Unit Award will vest pursuant to the terms and in accordance with the conditions set forth in the Program. Except as set forth in Sections 5, 6 and 8 of this Agreement, no shares of Common Stock in settlement of vested shares of Common Stock underlying the Performance Unit Award shall be issued to the Participant prior to the end of the Performance Period.

4. Participant’s Rights in Common Stock. The shares of Common Stock, if and when issued hereunder, shall be registered in the name of the Participant and evidenced in the manner as the Company may determine. During the period prior to the issuance of Stock (including any Vesting Date according to the Vesting Schedule), the Participant will have no rights of a stockholder of the Company with respect to the Common Stock underlying the Performance Unit Award, including no right to receive dividends or vote the shares of Common Stock underlying each Performance Unit Award.

5. Death. In the event that the Participant’s employment with the Company or its subsidiaries or affiliates is terminated due to death on or after the Grant Date, but prior to the end of the Performance Period, the Performance Unit Award shall remain eligible to vest following the end date of the Performance Period (subject to satisfaction of the performance conditions set forth on Appendix A to this Agreement) and the Participant shall receive a pro-rated portion of the Common Stock underlying the Performance Unit Award that would otherwise vest based on performance on the Vesting Date, with the pro-rata portion based on the Participant’s whole months of service with the Company during the Performance Period prior to the date of such termination; provided that a partial month of employment will be considered a whole “month of service” for purposes of this Agreement only if the Participant was employed by the Company for at least fifteen (15) days during such month. Any portion of the Performance Unit Award that remains unvested on the Vesting Date (after giving effect to such pro-ration) shall be considered to have terminated on the Vesting Date. The Participant may, from time to time, name any beneficiary or beneficiaries (who may be named contingently or successively) to whom any benefit under this Agreement is to be paid in case of his or her death before he or she receives any or all such benefit. Each such designation shall revoke all prior designations by the Participant, shall be in a form prescribed by the Company, and will be effective only when filed by the Participant in writing with the Secretary of the Company during the Participant’s lifetime. In the absence of any such designation, benefits remaining unpaid at the Participant’s death shall be paid to the Participant’s estate.

6. Retirement or Disability. In the event that the Participant's employment with the Company or its subsidiaries or affiliates is terminated due to Retirement or Disability on or after the Grant Date, but prior to the end of the Performance Period, the Performance Unit Award shall remain eligible to vest following the end date of the Performance Period (subject to satisfaction of the performance conditions set forth on Appendix A to this Agreement) and the Participant shall receive a pro-rated portion of the Common Stock underlying the Performance Unit Award that would otherwise vest based on performance on the Vesting Date, with the pro-rata portion based on the Participant's whole months of service with the Company during the Performance Period prior to the date of such termination; provided that a partial month of employment will be considered a whole "month of service" for purposes of this Agreement only if the Participant was employed by the Company for at least fifteen (15) days during such month. Any portion of the Performance Unit Award that remains unvested on the Vesting Date (after giving effect to such pro-ration) shall be considered to have terminated on the Vesting Date.

7. Other Termination of Employment -- Eligibility Conditions. If the Participant's employment with the Company and its affiliates or subsidiaries is terminated or the Participant separates from the Company and its affiliates or subsidiaries for any reason other than death, Retirement or Disability, the Performance Unit Award shall terminate and no shares of Common Stock shall be issued. Except as set forth in Sections 5, 6 and 8, eligibility to be issued shares of Common Stock underlying the Performance Unit Award is conditioned on the Participant's continuous employment with the Company through the last day of the Performance Period.

8. Change in Control of the Company. Notwithstanding anything to the contrary in this Agreement, in the event of a Change in Control (as defined in the Program) of the Company on or after the Grant Date, but prior to the end of the Performance Period and prior to the Participant's termination of employment for any reason, the Participant shall immediately vest in 100% of the Target Amount of shares of Common Stock subject to the Performance Unit Award. Notwithstanding anything to the contrary in this Agreement, in the event the Participant's employment with the Company or any Subsidiary terminates due to one of the reasons expressly covered by Section 5 or Section 6 of this Agreement and a Change in Control of the Company occurs subsequent to such a termination of employment (but during the Performance Period), the pro-rata vesting provided for in such sections shall be based on the Target Amount of shares of Common Stock subject to the Performance Unit Award. Any shares of Common Stock subject to the Performance Unit Award that become vested pursuant to this Section 8 shall be issued to the Participant upon or as soon as practicable (and in all events within thirty (30) days) after the effective date of the Change in Control of the Company (or, if so provided by the Board of Directors, immediately prior to the Change in Control). In the event a Change in Control of the Company occurs following the last day of the Performance Period, prior to the Participant's termination of employment for any reason, and prior to the date all vested shares of Common Stock underlying the Performance Unit Award are issued pursuant to Section 2 above, any shares of Common Stock subject to the Performance Unit Award that became vested pursuant to the terms of this Agreement and the Program shall be issued to the Participant upon or as soon as practicable (and in all events within thirty (30) days) after the effective date of the Change in Control of the Company (or, if so provided by the Company's Board of Directors, immediately prior to the Change in Control).

9. Consideration for Stock. The shares of Common Stock underlying the Performance Unit Award that are issued pursuant to this Agreement and the Program will be issued for no cash consideration.

10. Issuance of Stock. The Company shall not be obligated to issue any shares of Common Stock underlying the Performance Unit Award that become vested pursuant to the terms of this Agreement and the Program until (i) all federal and state laws and regulations as the Company may deem applicable have been complied with; (ii) the shares have been listed or authorized for listing upon official notice to the Nasdaq Global Select Market or have otherwise been accorded trading privileges; and (iii) all other legal matters in connection with the issuance and delivery of the shares have been approved by the Company's legal department.

11. Tax Withholding. The Participant acknowledges that he or she shall be responsible for the payment of any taxes of any kind required by any national, state or local law to be paid with respect to the Performance Unit Award or the shares of Common Stock to be awarded hereunder, including, without limitation, the payment of any applicable withholding, income, social and similar taxes or obligations. The Participant further acknowledges that the Company (1) makes no representations or undertakings regarding the treatment of any tax-related matters in connection with any aspect of this Agreement, including the grant of this Performance Unit Award, the vesting of any shares of Common Stock underlying this Performance Unit Award, the issuance of shares of Common Stock hereunder, the subsequent sale of any shares of Common Stock acquired hereunder and the receipt of any

dividends; and (2) does not commit and is under no obligation to structure the terms of the grant or any aspect of the Performance Unit Award to reduce or eliminate the Participant's liability for tax-related matters or achieve any particular tax result. Further, if the Participant becomes subject to tax and/or social security contributions in more than one jurisdiction between the Date of Grant and the date of any relevant taxable, tax and/or social security contribution withholding event, as applicable, the Participant acknowledges that the Company may be required to withhold or account for tax-related matters in more than one jurisdiction. Prior to any relevant taxable, tax and/or social security contribution withholding event, the Participant shall pay or make adequate arrangements satisfactory to the Company to satisfy all tax-related matters. In this regard, the Participant authorizes the Company, at its sole discretion, to satisfy the obligations with respect to tax-related matters by one or a combination of the following: (i) withholding from the Participant's wages or other cash compensation paid to him or her by the Company; or (ii) withholding from the proceeds of the sale of shares of Common Stock acquired hereunder, either through a voluntary sale or through a mandatory sale arranged by the Company (on the Participant's behalf pursuant to this authorization); or (iii) withholding in shares of Common Stock to be issued hereunder. To avoid negative accounting treatment, the Company will withhold or account for tax-related matters by considering applicable minimum statutory withholding amounts or other applicable withholding rates. If the obligation for tax-related matters is satisfied by withholding in shares of Common Stock, for tax purposes, the Participant will be deemed to have been issued the full number of shares of Common Stock subject to the vested portion of this Performance Unit Award, notwithstanding that a number of the shares of Common Stock is held back solely for the purpose of paying the tax-related matters due as a result of any aspect of the Participant's participation in the Program. Finally, the Participant shall pay to the Company any amount of tax-related matters that the Company may be required to withhold or account for as a result of Participant's participation in the Program that cannot be satisfied by the means described in this Section 11. The Company may refuse to issue or deliver shares of Common Stock or the proceeds of the sale of shares of Common Stock to the Participant if the Participant fails to comply with Participant's obligation in connection with any tax-related matters.

12. Compliance with Section 409A. This Agreement is intended to comply with the requirements of Section 409A. Accordingly, all provisions herein shall be construed and interpreted to comply with Section 409A. This Agreement may be amended at any time, without the consent of any party, to avoid the application of Section 409A in a particular circumstance or that is necessary or desirable to satisfy any of the requirements under Section 409A, but the Company shall not be under any obligation to make any such amendment. Nothing in the Agreement shall provide a basis for any person to take action against the Company or any of its subsidiaries or affiliate based on matters covered by Section 409A, including the tax treatment of any amount paid or Performance Unit Award granted under this Agreement, and neither the Company nor any of its subsidiaries or affiliates shall under any circumstances have any liability to any participant or his or her estate or any other party for any taxes, penalties or interest due on amounts paid or payable under the this Agreement, including taxes, penalties or interest imposed under Section 409A. Notwithstanding any provision to the contrary in this Agreement, if shares of Common Stock or other amounts become issuable or distributable under this Agreement by reason of the Participant's Separation from Service and the Participant is a "specified employee," within the meaning of Section 409A, at the time of such Separation from Service, the shares of Common Stock shall not be issued or distributed to the Participant prior to the earlier of (i) the first day of the seventh (7th) month following the date of the Participant's Separation from Service or (ii) the date of the Participant's death, if such delayed commencement is otherwise required in order to avoid a prohibited distribution under Section 409A(a)(2). Upon the expiration of the applicable Section 409A(a)(2) deferral period, all shares of Common Stock underlying the Performance Unit Award issued pursuant to this Agreement or other amounts deferred pursuant to this Section 12 shall be issued or distributed in a lump sum to the Participant. For purposes of this Agreement, "Separation from Service" means the Participant's separation from service as determined in accordance with Section 409A and the applicable standards of the Treasury Regulations issued thereunder.

13. Recapitalization. In the event there is any change in the Company's Common Stock through the declaration of stock dividends or through recapitalization resulting in stock split-ups or through merger, consolidation, exchange of shares of Common Stock, or otherwise, the number and class of shares of Common Stock subject to this Performance Unit Award shall be equitably adjusted by the Company, in the manner determined in its sole discretion, to prevent dilution or enlargement of rights.

14. Investment Intent. The Participant acknowledges that the acquisition of shares of Common Stock to be issued hereunder is for investment purposes without a view to distribution thereof.

15. Limits on Transferability; Restrictions on Shares; Legend on Certificate. Until the eligibility conditions of this Performance Unit Award have been satisfied and shares of Common Stock have been issued in accordance with the terms of this Agreement or by action of the Company's Board of Directors, this Performance Unit Award is not transferable and shall not be

sold, transferred, assigned, pledged, gifted, hypothecated or otherwise disposed of or encumbered by the Participant. Transfers of shares of Common Stock by the Participant are subject to the Company's Insider Trading Policy and applicable securities laws. Shares of Common Stock issued to the Participant in certificate form or to the Participant's book entry account upon satisfaction of the vesting and other conditions of this Performance Unit Award may be restricted from transfer or sale by the Company and evidenced by stop-transfer instructions upon the Participant's book entry account or restricted legend(s) affixed to certificates in the form as the Company or its counsel may require with respect to any applicable restrictions on sale or transfer.

16. Award Subject to the Plan and the Program. The Performance Unit Award made pursuant to this Agreement is made subject to the Plan and the Program. The terms and provisions of the Plan and the Program, as each may be amended from time to time are hereby incorporated herein by reference. In the event of a conflict between any term or provision contained in this Agreement and a term or provision of the Plan or the Program, the applicable terms and conditions of the Plan or Program will govern and prevail. However, no amendment of the Plan or the Program after the date hereof may adversely alter or impair the issuance of the Common Stock underlying the Performance Unit Award to be made pursuant to this Agreement.

17. No Rights to Continued Employment. This Agreement shall not confer upon the Participant any right to continuation of employment with the Company, its subsidiaries or affiliates, nor shall this Agreement interfere in any way with the Company's right to terminate the Participant's employment at any time with or without cause.

18. Legal Notices. Any legal notice necessary under this Agreement shall be addressed to the Company in care of its General Counsel at the principal executive offices of the Company and to the Participant at the address appearing in the personnel records of the Company for such Participant or to either party at such other address as either party may designate in writing to the other. Any such notice shall be deemed effective upon receipt thereof by the addressee.

19. Governing Law. The interpretation, performance and enforcement of this Agreement shall be governed by the laws of the State of New York (without regard to the conflict of laws principles thereof) and applicable federal laws. For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by this Agreement, the parties hereby submit and consent to the exclusive jurisdiction of the State of New York and agree that such litigation shall be conducted only in the State of New York, or the federal courts for the United States for the Northern District of New York, and no other courts, where this Performance Unit Award is made and/or to be performed.

20. Headings. The headings contained in this Agreement are for convenience only and shall not affect the meaning or interpretation of this Agreement.

21. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

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This Agreement is being signed as of the Grant Date.

AngioDynamics, Inc.

By: _____

Name: _____

Title: _____

Participant

By: _____

Name: _____

APPENDIX A

I. Company Performance Levels

The Performance Share Units will pay out in shares of Common Stock in a range of 0% to 200% of the number of Performance Share Units as follows:

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

II. The Peer Group (as defined in the Program) with respect to this Agreement is set forth below.

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

CHANGE IN CONTROL AGREEMENT

THIS CHANGE IN CONTROL AGREEMENT (the "Agreement"), is made effective as of August 18, 2016 between AngioDynamics, Inc., a Delaware corporation (the "Company"), and Michael C. Greiner, an individual resident of the State of New York ("Executive").

WHEREAS, the Company considers it essential to the best interests of its shareholders to foster the continued employment of key management personnel; and

WHEREAS, the Board recognizes that, as is the case with many publicly held corporations, the possibility of a Change in Control exists and that such possibility, and the uncertainty and questions which it may raise among management, may result in the departure or distraction of management personnel to the detriment of the Company and its shareholders; and

WHEREAS, the Board has determined that appropriate steps should be taken to reinforce and encourage the continued attention and dedication of members of the Company's management, including the Executive, to their assigned duties without distraction in the face of potentially disturbing circumstances arising from the possibility of a Change in Control;

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the Company and the Executive hereby agree as follows:

1. Defined Terms. The definitions of capitalized terms used in this Agreement are provided in the last Section hereof.

2. Term of Agreement. The Term of this Agreement shall commence on the date hereof and shall continue in effect through December 31, 2016; provided, however, that effective January 1, 2017 and each January 1 thereafter, the Term that is then in effect shall automatically be extended for one additional year unless the Company has given notice before the January 1 in question that the Term that is in effect at the time such notice is given will not be extended; and further provided, however, that if a Change in Control occurs during the Term, the Term shall expire no earlier than twelve (12) calendar months after the calendar month in which such Change in Control occurs. Notwithstanding the foregoing, this Agreement shall terminate if the Executive ceases to be an employee of the Company and its subsidiaries for any reason prior to a Change in Control. However, anything in this Agreement (including the preceding sentence) to the contrary notwithstanding, if a Change in Control occurs and if, within three months prior to the date on which such Change in Control occurs, the Executive's employment with the Company is terminated by the Company without Cause or an event occurs that would, if it took place after the Change in Control, constitute Good Reason for termination of employment by the Executive, and if it is reasonably demonstrated by the Executive that such termination of employment by the Company or event constituting Good Reason for termination of employment by the Executive (a) was undertaken at the request of a third party who has taken steps reasonably calculated to effect the Change in Control, or (b) otherwise arose in connection with or in anticipation of the Change in Control, then for purposes of this Agreement such termination of employment by the Company without Cause or event constituting Good Reason shall be deemed to occur during the 12 month period following the Change in Control and, if the Executive terminates his employment for such Good Reason before the Change in Control, such termination of employment by the Executive shall likewise be deemed to occur during the 12 month period following the Change in Control.

3. Company's Covenants Summarized. In order to induce the Executive to remain in the employ of the Company and in consideration of the Executive's covenants set forth in Section 4 hereof, the Company agrees, under the conditions described herein, to pay the Executive the Severance Payments and the other payments and benefits described herein. Except as provided in Section 2, Section 6.3, Section 9.1 or Section 14.2 hereof, no amounts shall be payable under this Agreement unless the Executive's employment with the Company terminates following a Change in Control and during the Term. This Agreement shall not be construed as creating an express or implied contract of employment enforceable against the Company nor, except as provided in Section 4 below, enforceable against the Executive, and, except as otherwise agreed in writing between the Executive and the Company, the Executive shall not have any right to be retained in the employ of the Company.

4. The Executive's Covenants. The Executive agrees to remain in the employ of the Company, subject to the terms and conditions of this Agreement, if a Potential Change in Control occurs during the Term and the Executive is then in the employ of the Company, until the earliest of (a) the date which is six (6) months from the date of such Potential Change in Control, (b) the date of a Change in Control, (c) the date of termination by the Executive of the Executive's employment for Good Reason or by reason of death, Disability or Retirement, or (d) the termination by the Company of the Executive's employment for any reason; provided that Executive's agreement to remain in the employ of the Company shall be subject to the condition that no adverse change occurs after the Potential Change in Control in his title, duties, responsibilities, authority, reporting relationships, compensation, benefits or indemnification rights.

5. Certain Compensation Other Than Severance Payments.

5.1 If the Executive's employment shall be terminated for any reason following a Change in Control and during the Term, the Company shall pay the Executive his full salary through the date of termination at the rate in effect immediately prior to the date of termination or, if higher, the rate in effect immediately prior to the first occurrence of an event or circumstance constituting Good Reason, together with all compensation and benefits payable to the Executive through the date of termination under the terms of the Company's compensation and benefit plans, programs and arrangements as in effect immediately prior to the date of termination or, if more favorable to the Executive, as in effect immediately prior to the first occurrence of an event or circumstance constituting Good Reason.

5.2 Subject to Section 6.1 hereof, if the Executive's employment shall be terminated for any reason following a Change in Control and during the Term, the Company shall pay to the Executive the Executive's normal post-termination compensation and benefits as such payments become due. Any such post-termination compensation and benefits shall be determined under, and paid in accordance with, the Company's retirement, insurance and other compensation and benefit plans, programs and arrangements as in effect immediately prior to the date of termination or, if more favorable to the Executive, as in effect immediately prior to the occurrence of the first event or circumstance constituting Good Reason.

6. Severance Payments.

6.1 Subject to Section 6.2 and Section 6.3 hereof, if the Executive's employment is terminated following a Change in Control and during the Term either by the Company or by the Executive, other than (a) by the Company for Cause, (b) by reason of death or Disability, or (c) by the Executive without Good Reason, (any such employment termination being hereafter sometimes referred to as a "Compensable Termination"), then the Company shall pay the Executive the amounts, and provide the Executive the benefits, described in this Section 6.1 ("Severance Payments"), in addition to any payments and benefits to which the Executive is entitled under Sections 5 and 6.3 hereof. Notwithstanding the foregoing, the Executive shall not be eligible to receive any payment or benefit provided for in this Section 6.1 unless the Executive shall have executed (i) a release substantially in the form of Exhibit A hereto, and a covenant not to compete substantially in the form of Exhibit B hereto, effective as of the date of the Compensable Termination or a date subsequent thereto and shall not have revoked said release. The Severance Payments are in lieu of any severance benefits that would otherwise be payable or provided pursuant to any severance plan or practice of the Company.

(i) The Company shall pay the Executive, at the time provided in Section 6.2 below, his annual bonus for the fiscal year of the Company preceding the fiscal year of the Company in which the Compensable Termination occurs, if unpaid at the time of the Compensable Termination, the amount of such bonus to be determined by the Compensation Committee of the Board on a basis no less favorable to the Executive than its bonus determinations with respect to the Executive prior to the Change in Control, unless the Committee made no bonus determinations with respect to the Executive before the Change in Control, in which case on a basis no less favorable to the Executive than its bonus determinations with respect to other executives of comparable rank before the Change in Control.

(ii) The Company shall pay the Executive, at the time provided in Section 6.2 below, a prorated annual bonus for the fiscal year of the Company in which the Compensable Termination occurs, such prorated bonus to be determined by multiplying the "Applicable Average Bonus" as defined below in this subsection (ii) by a fraction the numerator of which shall be the number of days elapsed in such fiscal year through (and including) the date on which the Compensable Termination occurs and the denominator of which shall be the number 365. For purposes of this Agreement, the "Applicable Average Bonus" means the higher of (A) the average of all annual bonuses (including any deferred bonuses) awarded to the Executive during the 36 months immediately preceding the Compensable Termination or, if the Executive was employed by the Company for less than 36 months before the Compensable Termination, during the period of his employment by the Company prior to the Compensable Termination (annualizing any bonus awarded for less than a full year of employment), or (B) the average of all annual bonuses (including any deferred bonuses) awarded to the Executive during the three fiscal years of the Company that precede the fiscal year in which the Compensable Termination occurs or during the portion of such three fiscal years in which he was employed by the Company (annualizing any bonus awarded for less than a full year of employment), or (C) the average of all annual bonuses (including any deferred bonuses) awarded to the Executive during the 36 months preceding the date on which the Change in Control occurred or during the portion of such 36 month period in which he was employed by the Company (annualizing any bonus awarded for less than a full year of employment).

(iii) The Company shall pay the Executive, at the time provided in Section 6.2 below, a lump sum cash payment equal to two (2) times the Executive's annual base salary at the rate in effect immediately prior to the Compensable Termination or, if higher, in effect immediately prior to the first occurrence of an event or circumstance constituting Good Reason ("Base Salary").

(iv) The Company will pay the Executive for all earned but unused vacation leave at the time of the Compensable Termination.

6.2 All payments to be made pursuant to subsections (i) through (iv) of Section 6.1 above shall be made within thirty (30) calendar days after the date on which a Separation from Service occurs coincident with or following, or within 30 days before, the date on which the Compensable Termination occurs (the "Separation from Service Date") unless on the Separation from Service Date the Executive is a Specified Employee, in which case such payments shall be made six months and one day after the

Separation from Service Date (or, if earlier, the date of the Executive's death). For purposes of the preceding sentence, a Specified Employee means a "specified employee" who is subject to the special rule set forth in subsection (a)(2)(B)(i) of section 409A of the Code and the regulations thereunder (including, without limitation, Proposed Treasury Regulation section 1.409A-1(i)) with respect to such payments.

6.3 In the event that the severance and other benefits provided for in this Agreement or otherwise payable to Executive (i) constitute "parachute payments" within the meaning of Section 280G of the Code, and (ii) would be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then Executive's benefits under this Agreement shall be either

(i) delivered in full, or

(ii) delivered as to such lesser extent which would result in no portion of such benefits being subject to the Excise Tax, whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the Excise Tax, results in the receipt by Executive on an after-tax basis, of the greatest amount of benefits, notwithstanding that all or some portion of such benefits may be taxable under Section 4999 of the Code. If a reduction in severance and other benefits constituting "parachute payments" is necessary so that benefits are delivered to a lesser extent, reduction will occur in the following order: reduction of cash payments, cancellation of equity awards granted within the twelve (12) month period prior to a "change in control" (as determined under Code Section 280G) that are deemed to have been granted contingent upon the change in control (as determined under Code Section 280G), cancellation of accelerated vesting of equity awards, reduction of employee benefits.

Unless the Company and Executive otherwise agree in writing, any determination required under this Section shall be made in writing by the Company's independent public accountants (the "Accountants"), whose determination shall be conclusive and binding upon Executive and the Company for all purposes. For purposes of making the calculations required by this Section, the Accountants may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Section 280G and 4999 of the Code. The Company and Executive shall furnish to the Accountants such information and documents as the Accountants may reasonably request in order to make a determination under this Section. The Company shall bear all costs the Accountants may reasonably incur in connection with any calculations contemplated by this Section.

7. Payments During Dispute. Any payments to which the Executive may be entitled under this Agreement, including, without limitation, under sections 5 and 6 hereof, shall be made forthwith on the applicable date(s) for payment specified in this Agreement. If for any reason the amount of any payment due to the Executive cannot be finally determined on that date, such amount shall be estimated on a good faith basis by the Company and the estimated amount shall be paid no later than 10 days after such date. As soon as practicable thereafter, the final determination of the amount due shall be made and any adjustment requiring a payment to or from the Executive shall be made as promptly as practicable.

8. No Mitigation. The Company agrees that, if the Executive's employment with the Company terminates during the Term, the Executive is not required to seek other employment or to attempt in any way to reduce any amounts payable to the Executive by the Company pursuant to Section 6 hereof or any other provision of this Agreement. Further, the amount of any payment or benefit provided for in this Agreement shall not be reduced (a) by any compensation earned by the Executive as the result of employment by another employer, (b) by retirement benefits, (c) by offset against any amount claimed to be owed by the Executive to the Company, or (d) otherwise.

9. Successors; Binding Agreement.

9.1 In addition to any obligations imposed by law upon any successor to the Company, the Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to expressly assume and agree to perform the Company's obligations under this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place. Failure of the Company to obtain such assumption and agreement prior to the effectiveness of any such succession during the Term shall be a breach of this Agreement and shall entitle the Executive to compensation from the Company in the same amount and on the same terms as the Executive would be entitled to hereunder if the Executive were to terminate the Executive's employment for Good Reason after a Change in Control and during the Term, except that, for purposes of implementing the foregoing, the date on which the Executive's employment terminates (for any reason other than Cause) within 30 days before, or at any time during the Term and on or after, the date on which any such succession becomes effective during the Term shall be deemed the date of the Compensable Termination.

9.2 This Agreement shall inure to the benefit of and be enforceable by the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If the Executive shall die while any amount would still be payable to the Executive hereunder (other than amounts which, by their terms, terminate upon the death of the Executive) if the Executive had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to the executors, personal representatives or administrators of the Executive's estate.

10. Notices. For the purpose of this Agreement, notices and all other communications provided for in the Agreement shall be in writing and shall be deemed to have been duly given when delivered or mailed by United States registered mail, return receipt requested, postage prepaid, addressed, if to the Executive, to his most recent address shown on the books and records of the Company at the time notice is given and, if to the Company, to the address set forth below, or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notice of change of address shall be effective only upon actual receipt:

To the Company:

AngioDynamics, Inc.
14 Plaza Drive
Latham, NY 12110

Attention: Chief Executive Officer

11. Miscellaneous. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by the Executive and such officer as may be specifically designated by the Board. No waiver by either party hereto at any time of any breach by the other party hereto of, or of any lack of compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. This Agreement constitutes the entire agreement of the parties concerning the specific subject matter addressed by this Agreement and supersedes all prior agreements addressing the terms and conditions contained herein. Nothing in this Agreement is intended to amend or otherwise alter the change in control provisions or any other provisions of any (a) stock option or other compensation or incentive award that may heretofore have been or may hereafter be granted to the Executive, or (b) employee benefit or fringe benefit plan in which the Executive may heretofore have been or may hereafter be a participant. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of New York. All references to sections of the Code or the Exchange Act shall be deemed also to refer to any successor provisions to such sections and to IRS or SEC regulations and official guidance published thereunder. Any payments provided for hereunder shall be subject to any applicable withholding required under federal, state or local law and any additional withholding to which the Executive has agreed. The obligations of the Company and the Executive under this Agreement which by their nature may require either partial or total performance after the expiration of the Term (including, without limitation, those under Sections 6 and 7 hereof) shall survive such expiration.

12. Validity. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

13. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

14. Settlement of Disputes; Arbitration.

14.1 All claims by the Executive for benefits under this Agreement shall be directed to and determined by the Board and shall be in writing. Any denial by the Board of a claim for benefits under this Agreement shall be delivered to the Executive in writing and shall set forth the specific reasons for the denial and the specific provisions of this Agreement relied upon. The Board shall afford a reasonable opportunity to the Executive for a review of the decision denying a claim and shall further allow the Executive to appeal to the Board a decision of the Board within sixty (60) days after notification by the Board that the Executive's claim has been denied.

14.2 Any further dispute or controversy arising under or in connection with this Agreement shall be settled exclusively by arbitration in the Albany, New York metropolitan area in accordance with the employment dispute resolution rules of the American Arbitration Association then in effect. The arbitrator shall have the authority to require that the Company reimburse the Executive for the payment of all or any portion of the legal fees and expenses incurred by the Executive in connection with such dispute or controversy. Judgment may be entered on the arbitrator's award in any court having jurisdiction.

14.3 The Company agrees to use commercially reasonable efforts to administer this Agreement, and operate any deferred compensation plans in which the Executive participates from time to time that are aggregated with this Agreement or with any payment or benefit provided by this Agreement for purposes of Section 409A of the Code (e.g., account balance plans, nonaccount balance plans, separation pay plans, and plans that are neither account balance nor nonaccount balance plans), in good faith compliance with Code Section 409A to the extent necessary to avoid inclusion of any amounts of benefits payable hereunder in the Executive's income pursuant to Section 409A(a)(1)(A) of the Code.

15. Definitions. For purposes of this Agreement, the following terms shall have the meanings indicated below:

(A) "Affiliate" shall have the meaning set forth in Rule 12b-2 promulgated under Section 12 of the Exchange Act.

(B) "Applicable Average Bonus" shall have the meaning set forth in subsection (ii) of Section 6.1.

(C) "Base Salary" shall have the meaning set forth in subsection (iii) of Section 6.1.

(D) "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Exchange Act.

(E) "Board" shall mean the Board of Directors of the Company.

(F) "Cause" for termination by the Company of the Executive's employment shall mean (i) the willful and continued failure by the Executive to substantially perform the Executive's duties with the Company as such duties were in effect prior to any change therein constituting Good Reason (other than any such failure resulting from the Executive's incapacity due to physical or mental illness or any such failure after the occurrence of an event constituting Good Reason for resignation by the Executive) after a written demand for substantial performance is delivered to the Executive by the Board, which demand specifically identifies the manner in which the Board believes that the Executive has not substantially performed the Executive's duties, provided that such failure will constitute Cause only if it remains uncured for more than thirty (30) days following receipt by the Executive of such written demand from the Board; (ii) the engaging by the Executive in willful conduct which is demonstrably and materially injurious to the Company or its subsidiaries, monetarily or otherwise, provided that such conduct will constitute Cause only if it remains uncured for more than thirty (30) days following receipt by the Executive of a written demand from the Board to cease such conduct; (iii) the Executive's insubordination, as defined from time to time by the Board, provided that insubordination will constitute Cause only if it remains uncured for more than thirty (30) days following receipt by the Executive of a written demand from the Board to cease such insubordination; or (iv) the Executive's conviction of (a) a felony or (b) a crime involving fraud, dishonesty or moral turpitude. For purposes of clauses (i) and (ii) of this definition, no act, or failure to act, on the Executive's part shall be deemed "willful" unless done, or omitted to be done, by the Executive not in good faith and without reasonable belief that the Executive's act, or failure to act, was in the best interest of the Company. The Company shall notify the Executive in writing of any employment termination purporting to be for Cause on or before the date of such termination, which writing shall describe with specificity the conduct alleged to constitute Cause for such termination. Any purported termination of employment by the Company for Cause which does not satisfy the applicable requirements of this Section 15(F) shall be conclusively deemed to be a termination of employment by the Company without Cause for purposes of this Agreement.

(G) A "Change in Control" shall mean that any of the following events has occurred:

(i) any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company's then outstanding securities, excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in clause (A) of paragraph (iii) below; or

(ii) the following individuals cease for any reason to constitute a majority of the number of directors serving on the Board: individuals who, at the beginning of any period of two consecutive years or less (not including any period prior to the date of this Agreement), constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company's shareholders was approved or recommended by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of such period or whose appointment, election or nomination for election was previously so approved or recommended; or

(iii) there is consummated a merger or consolidation of the Company or any Subsidiary with any other corporation, other than (A) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any Subsidiary, at least 60% of the combined voting power of the securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (B) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company's then outstanding securities; or

(iv) the shareholders of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an

entity, at least 60% of the combined voting power of the voting securities of which are owned by shareholders of the Company in substantially the same proportions as their ownership of the Company immediately prior to such sale.

(H) "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

(I) "Company" shall mean AngioDynamics, Inc. and, except in determining under Section 15(G) hereof whether or not any Change in Control of the Company has occurred, shall include any successor to its business and/or assets which assumes and agrees to perform this Agreement by operation of law, or otherwise.

(J) "Compensable Termination" shall have the meaning set forth in Section 6.1.

(K) "Disability" shall be deemed the reason for the termination by the Company of the Executive's employment, if, as a result of the Executive's incapacity due to physical or mental illness, the Executive shall have been absent from the full-time performance of the Executive's duties with the Company for a period of six consecutive months or for six non-consecutive months within any period of 12 consecutive months.

(L) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended from time to time.

(M) "Executive" shall mean the individual named in the first paragraph of this Agreement.

(N) "Good Reason" for termination by the Executive of the Executive's employment shall mean the occurrence (without the Executive's express written consent) after any Change in Control, of any one of the following acts by the Company, or failures by the Company to act, unless, in the case of any act or failure to act described in paragraph (i), (iii), (iv) or (vii) below, such act or failure to act is corrected within thirty (30) calendar days after the Company's receipt of written notice thereof given by the Executive within thirty (30) calendar days of such act or failure to act:

(i) the assignment to the Executive of any duties inconsistent with the Executive's status or position in the Company immediately prior to the Change in Control, or a substantial adverse alteration in the nature, status or scope of the Executive's responsibilities or authority from his responsibilities or authority immediately prior to the Change in Control, or a reduction in his title;

(ii) a reduction by the Company in the Executive's annual base salary as in effect on the date of this Agreement or as the same may be increased from time to time;

(iii) a significant reduction in compensation, benefits or reimbursements provided under any employment, compensation, employee benefit or reimbursement plan or program in which the Executive is a participant which is not replaced with substantially equivalent compensation, benefits or reimbursements under another plan, program or arrangement at substantially the same cost (if any) to the Executive;

(iv) the Company fails to pay or provide any amount or benefit that the Company is obligated to pay or provide under this Agreement or any other employment, compensation, benefit or reimbursement plan, agreement or arrangement of the Company to which the Executive is a party or in which the Executive participates;

(v) the Company fails to pay the Executive a bonus, for each fiscal year of Employer that terminates following a Change in Control and during the Term, at least equal to 80% of the Applicable Average Bonus;

(vi) the relocation of the Executive's principal place of employment to a location which increases the Executive's one-way commuting distance by more than 40 miles, or the Company's requiring the Executive to travel on business other than to an extent substantially consistent with the Executive's business travel obligations prior to the Change in Control;

(vii) a significant adverse change occurs, whether of a quantitative or qualitative nature, in the indemnification protection provided to the Executive for acts and omissions arising out of his service on behalf of the Company or any other entity at the request of the Company; or

(viii) The Company fails to obtain the assumption of this Agreement pursuant to Section 9.1.

The Executive's right to terminate the Executive's employment for Good Reason shall not be affected by the Executive's incapacity due to physical or mental illness. The Executive's continued employment shall not constitute consent to, or a waiver of rights with respect to, any act or failure to act constituting Good Reason hereunder.

(O) "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its Affiliates, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their ownership of stock of the Company.

(P) "Potential Change in Control" shall be deemed to have occurred if the event set forth in any one of the following paragraphs shall have occurred:

(i) the Company enters into an agreement, the consummation of which would result in the occurrence of a Change in Control;

(ii) the Company or any Person publicly announces an intention to take or to consider taking actions which, if consummated, would constitute a Change in Control;

(iii) any Person becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 15% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its Affiliates); or

(iv) the Board adopts a resolution to the effect that, for purposes of this Agreement, a Potential Change in Control has occurred.

(Q) "Retirement" shall be deemed the reason for the termination by the Executive of the Executive's employment if such employment is terminated in accordance with the Company's retirement policy, including early retirement, generally applicable to its salaried employees.

(R) "Separation from Service" means termination of employment with the Company. However, the Executive shall not be deemed to have a Separation from Service if he continues to provide services to the Company in a capacity other than as an employee and if he is providing services at an annual rate that is fifty percent or more of the services he rendered, on average, during the immediately preceding three full calendar years of employment with the Company (or if employed by the Company less than three years, such lesser period) and the annual remuneration for his services is fifty percent or more of the annual remuneration earned during the final three full calendar years of employment (of if less, such lesser period); provided, however, that a Separation from Service will be deemed to have occurred if his service with the Company is reduced to an annual rate that is less than twenty percent of the services he rendered, on average, during the immediately preceding three full calendar years of employment with the Company (or if employed by the Company less than three years, such lesser period) or the annual remuneration for his services is less than twenty percent of the annual remuneration earned during the three full calendar years of employment with the Company (or if less, such lesser period).

(S) "Separation from Service Date" shall have the meaning set forth in Section 6.2 hereof.

(T) "Severance Payments" shall have the meaning set forth in Section 6.1 hereof.

(U) "Subsidiary" means a corporation or other form of business association of which shares (or other ownership interests) having more than 50% of the voting power are owned or controlled, directly or indirectly, by the Company.

(V) "Term" shall mean the period of time described in Section 2 hereof (including any extension or continuation described therein).

[Remainder of page intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year first above written.

ANGIODYNAMICS, INC.

By: /s/ James C. Clemmer
Name: James C. Clemmer
Title: President and CEO

/s/Michael C. Greiner
Michael C. Greiner
EXHIBIT A

ANGIODYNAMICS, INC.

RELEASE OF CLAIMS

This Release of Claims (“Agreement”) is made by and between AngioDynamics, Inc. (the “Company”), and _____ (“Executive”).

WHEREAS, Executive has agreed to enter into a release of claims in favor of the Company upon certain events specified in the Change in Control Agreement by and between Company and Executive, as amended (the “Severance Agreement”).

NOW THEREFORE, in consideration of the mutual promises made herein, the Parties hereby agree as follows:

1. **Termination.** Executive’s employment from the Company terminated on [DATE].
2. **Confidential Information.** Executive shall continue to maintain the confidentiality of all confidential and proprietary information of the Company and shall continue to comply with the terms and conditions of the Proprietary Information and Nondisclosure Agreement between Executive and the Company (the “Confidentiality Agreement”), as well as Section 4 of the Severance Agreement. Executive shall return all the Company property and confidential and proprietary information in his possession to the Company on the Effective Date of this Agreement.
3. **Payment of Salary.** Executive acknowledges and represents that the Company has paid all salary, wages, bonuses, accrued vacation, commissions and any and all other benefits due to Executive.
4. **Release of Claims.** Except as set forth in the last paragraph of this Section 4, Executive agrees that the foregoing consideration represents settlement in full of all outstanding obligations owed to Executive by the Company. Executive, on behalf of himself, and his respective heirs, family members, executors and assigns, hereby fully and forever releases the Company and its past, present and future officers, agents, directors, employees, investors, shareholders, administrators, affiliates, divisions, subsidiaries, parents, predecessor and successor corporations, and assigns, from, and agrees not to sue or otherwise institute or cause to be instituted any legal or administrative proceedings concerning any claim, duty, obligation or cause of action relating to any matters of any kind, whether presently known or unknown, suspected or unsuspected, that he may possess arising from any omissions, acts or facts that have occurred up until and including the Effective Date of this Agreement including, without limitation,
 - (a) any and all claims relating to or arising from Executive’s employment relationship with the Company and the termination of that relationship;
 - (b) any and all claims relating to, or arising from, Executive’s right to purchase, or actual purchase of shares of stock of the Company, including, without limitation, any claims for fraud, misrepresentation, breach of fiduciary duty, breach of duty under applicable state corporate law, and securities fraud under any state or federal law;
 - (c) any and all claims for wrongful discharge of employment; termination in violation of public policy; discrimination; breach of contract, both express and implied; breach of a covenant of good faith and fair dealing, both express and implied; promissory estoppel; negligent or intentional infliction of emotional distress; negligent or intentional misrepresentation; negligent or intentional interference with contract or prospective economic advantage; unfair business practices; defamation; libel; slander; negligence; personal injury; assault; battery; invasion of privacy; false imprisonment; and conversion;
 - (d) any and all claims for violation of any federal, state or municipal statute, including, but not limited to, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Age Discrimination in Employment Act of 1967, the Americans with Disabilities Act of 1990, the Fair Labor Standards Act, the Employee Retirement Income Security Act of 1974, and The Worker Adjustment and Retraining Notification Act;

(e) any and all claims for violation of the federal, or any state, constitution;

(f) any and all claims arising out of any other laws and regulations relating to employment or employment discrimination; and

(n) any and all claims for attorneys' fees and costs.

Executive agrees that the release set forth in this section shall be and remain in effect in all respects as a complete general release as to the matters released. Nothing in this Agreement waives Executive's rights to indemnification or any payments under any fiduciary insurance policy, if any, provided by any act or agreement of the Company, state or federal law or policy of insurance.

5. Acknowledgment of Waiver of Claims under ADEA. Executive acknowledges that he is waiving and releasing any rights he may have under the Age Discrimination in Employment Act of 1967 ("ADEA") and that this waiver and release is knowing and voluntary. Executive and the Company agree that this waiver and release does not apply to any rights or claims that may arise under the ADEA after the Effective Date of this Agreement. Executive acknowledges that the consideration given for this waiver and release Agreement is in addition to anything of value to which Executive was already entitled. Executive further acknowledges that he has been advised by this writing that (a) he should consult with an attorney prior to executing this Agreement; (b) he has at least twenty-one (21) days within which to consider this Agreement; (c) he has seven (7) days following the execution of this Agreement by the parties to revoke the Agreement; (d) this Agreement shall not be effective until the revocation period has expired; and (e) nothing in this Agreement prevents or precludes Executive from challenging or seeking a determination in good faith of the validity of this waiver under the ADEA, nor does it impose any condition precedent, penalties or costs for doing so, unless specifically authorized by federal law. Any revocation should be in writing and delivered to [HR Contact Name] at the Company by close of business on the seventh day from the date that Executive signs this Agreement.

6. No Pending or Future Lawsuits. Executive represents that he has no lawsuits, claims, or actions pending in his name, or on behalf of any other person or entity, against the Company or any other person or entity referred to herein. Executive also represents that he does not intend to bring any claims on his own behalf or on behalf of any other person or entity against the Company or any other person or entity referred to herein.

7. Application for Employment. Executive understands and agrees that, as a condition of this Agreement, he shall not be entitled to any employment with the Company, its subsidiaries, or any successor, and he hereby waives any right, or alleged right, of employment or re-employment with the Company.

8. No Cooperation. Executive agrees that he will not counsel or assist any attorneys or their clients in the presentation or prosecution of any disputes, differences, grievances, claims, charges, or complaints by any third party against the Company and/or any officer, director, employee, agent, representative, shareholder or attorney of the Company, unless under a subpoena or other court order to do so.

9. Cooperation with Company. Executive agrees to cooperate, at the request of the Company, in the defense and/or prosecution of any charges, claims, investigations (internal or external), administrative proceedings and/or lawsuits relating to matters occurring during or relating to Executive's period of employment about which Executive may have relevant information. Executive shall further reasonably cooperate with regard to the transition of Executive's job duties and business relationships. Executive agrees to respond to reasonable requests for information from the Company in a timely manner.

10. No Admission of Liability. No action taken by the Company, either previously or in connection with this Agreement shall be deemed or construed to be (a) an admission of the truth or falsity of any claims heretofore made or (b) an acknowledgment or admission by the Company of any fault or liability whatsoever to the Executive or to any third party.

11. Costs. The Parties shall each bear their own costs, expert fees, attorneys' fees and other fees incurred in connection with this Agreement.

12. Authority. Executive represents and warrants that he has the capacity to act on his own behalf and on behalf of all who might claim through him to bind them to the terms and conditions of this Agreement.

13. No Representations. Executive represents that he has had the opportunity to consult with an attorney, and has carefully read and understands the scope and effect of the provisions of this Agreement. Neither party has relied upon any representations or statements made by the other party hereto which are not specifically set forth in this Agreement.

14. Severability. In the event that any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement shall continue in full force and effect without said provision.

15. Entire Agreement. This Agreement, along with the Confidentiality Agreement, and Executive's written equity compensation agreements with the Company, represents the entire agreement and understanding between the Company and Executive concerning Executive's separation from the Company.

16. No Oral Modification. This Agreement may only be amended in writing signed by Executive and a duly authorized officer of the Company (other than Executive).

17. Governing Law. This Agreement shall be governed by the internal substantive laws, but not the choice of law rules, of the State of New York.

18. Effective Date. Each Party has seven (7) days after that Party signs this Agreement to revoke it. This Agreement will become effective on the eighth (8th) day after Executive signed this Agreement, so long as it has been signed by both Parties.

19. Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as an original and shall constitute an effective, binding agreement on the part of each of the undersigned.

20. Voluntary Execution of Agreement. This Agreement is executed voluntarily and without any duress or undue influence on the part or behalf of the Parties hereto, with the full intent of releasing all claims. The Parties acknowledge that:

(a) They have read this Agreement;

(b) They have had the opportunity of being represented in the preparation, negotiation, and execution of this Agreement by legal counsel of their own choice or that they have voluntarily declined to seek such counsel;

(c) They understand the terms and consequences of this Agreement and of the releases it contains;

(d) They are fully aware of the legal and binding effect of this Agreement.

[Remainder of page intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF, the Parties have executed this Agreement on the respective dates set forth below.

[Company Name]

Dated: [MONTH], 20____

By: _____

[Name], an individual

Dated: [MONTH], 20____

By: _____

[]

EXHIBIT B

ANGIODYNAMICS, INC.

NON-COMPETE AND NON-SOLICITATION

This Non-Competition and Non-Solicitation Agreement (“Agreement”) is made by and between AngioDynamics, Inc. (the “Company”), and _____ (“Executive”).

WHEREAS, Executive has agreed to enter into a release of claims in favor of the Company upon certain events specified in the Change in Control Agreement by and between Company and Executive, as amended (the “Severance Agreement”).

NOW THEREFORE, in consideration of the mutual promises made herein, the Parties hereby agree as follows:

1. Terms used in this Agreement:

- a. AngioDynamics means AngioDynamics, Inc., its successors or assigns, and any of their existing and future divisions, subsidiaries, and affiliates.
- b. Confidential Information means all trade secrets, proprietary information, know-how, and confidential information disclosed to Executive or known by Executive as a result of Executive's employment by AngioDynamics, not generally known in the trade or industry in which AngioDynamics is engaged, about AngioDynamics' business operations, customers, suppliers, products, processes, machines, systems, and services, including research, development, manufacturing, purchasing, finance, data processing, engineering, marketing, designs, concepts, know-how, merchandising, and selling, and corresponding information about the products, processes, machines, and services of AngioDynamics, acquired by Executive during Executive's employment by AngioDynamics. The fact that information is not patentable or copyrightable shall not affect its status as Confidential Information.
- c. Conflicting Product means any product, process, machine, or service of any person or organization other than AngioDynamics, whether now existing or hereafter developed: (a) which is identical to, substantially the same as, an adequate substitute for, resembles, or competes with a product, process, machine, system, or service upon or with which Executive worked during Executive's term of employment with AngioDynamics or about which Executive acquired Confidential Information; or (b) whose use or marketability could be enhanced by application to it of Confidential Information to which Executive had access during Executive's employment with AngioDynamics; or (c) which is (or could reasonably be anticipated to be) marketed or distributed in such a manner and in such a geographic area as to actually compete with such a product, process, machine, or service of AngioDynamics.
- d. Conflicting Organization means any person or organization, which is now or hereafter engaged directly or indirectly in research on or the acquisition, development, production, distribution, marketing, providing, or selling of a Conflicting Product.
- e. Terms not defined herein shall have the meaning ascribed to such terms in the Severance Agreement.

2. **Non-Competition.**

- a. For a period of: twenty four (24) months after termination of Executive's employment with AngioDynamics pursuant to the Severance Agreement, Executive will not render services, directly or indirectly, to any Conflicting Organization.

However, notwithstanding the foregoing, Executive understands that he/she may work for a Conflicting Organization whose business is diversified, provided Executive's work for the Conflicting Organization does not involve selling, managing, overseeing, developing, creating, promoting, servicing, involvement in the financing and/or accounting of, or other responsibility for any Conflicting Product on which Executive worked or gained Confidential Information during the last two (2) years of Executive's employment with AngioDynamics. Prior to accepting such employment, the Conflicting Organization and Executive must provide written assurances satisfactory to AngioDynamics, that Executive will not render services, directly or indirectly, in connection with any Conflicting Product on which Executive worked or gained Confidential Information during the last two (2) years of Executive's employment with AngioDynamics and that necessary safeguards have been put in place to ensure that this does not happen. This section shall be construed in a manner to give effect to the restrictions contained herein to the maximum extent permitted by applicable law.

- b. The restrictions set forth in Section 2(a) apply in the United States and in any foreign country or foreign territory where AngioDynamics produces, sells, or markets its goods and services.

3. **Non-Solicitation.**

- a. **Business Relations.** Executive agrees that for a period of twenty four (24) months after the termination of Executive's employment with AngioDynamics pursuant to the Severance Agreement, Executive will not solicit, induce, attempt to induce, appropriate, direct, or assist another to appropriate or direct, or provide any services to any current customer, supplier, licensee, or other business relation (defined as any customer, supplier, licensee, or other business relation of AngioDynamics with whom Executive had dealings and/or for whom Executive performed services at any time during the last two (2) years of Executive's employment with AngioDynamics) to cease doing business with AngioDynamics (including, without limitation, making any negative statements or communications concerning AngioDynamics or any of its directors, officers, or employees).
- b. **Employees.** Executive agrees that for a period of twenty four (24) months after the termination of Executive's employment with AngioDynamics pursuant to the Severance Agreement, Executive will not solicit, interfere with, encourage, endeavor, or engage in discussions with any employee or independent contractor of AngioDynamics for the purpose of (or with a view toward) having such employee or independent contractor leave the employment (or independent contractor assignment) of AngioDynamics for any reason, including leaving to render services to any Conflicting Organization.

4. **Miscellaneous.**

- a. This Agreement shall be binding upon Executive, and upon Executive's spouse, heirs, executors, assigns and administrators and shall inure to the benefit of AngioDynamics, its successors, and assigns.

- b. Any dispute arising under or in connection with this Agreement or related to any matter which is the subject of this Agreement shall be subject to the exclusive jurisdiction of the state and federal courts located in New York, and this Agreement shall be construed under and according to the laws of the State of New York, without regard to its conflict of laws rules.
- c. The parties acknowledge that any breach or threatened breach of this Agreement by Executive will cause AngioDynamics material and irreparable injury and monetary damages may not be an adequate remedy for such injury. In the event of a breach or threatened breach of this Agreement, AngioDynamics may pursue any remedies at law or equity available to it, including injunctive relief. Notwithstanding anything contained in this Agreement to the contrary, in addition to any remedies available to AngioDynamics (and not in exclusion of any such remedies) in the event of a breach of this Agreement, the Executive shall be required to remit to AngioDynamics any severance payments paid to Executive by AngioDynamics pursuant to this Agreement
- d. If any provision of this Agreement is held by any court of competent jurisdiction to be illegal, overly broad, invalid, or otherwise unenforceable in duration, geographical coverage, substantive scope, or otherwise, then this Agreement will be deemed amended to the extent necessary to render the otherwise unenforceable provision, and the rest of the Agreement, valid and enforceable. If a court declines to amend this Agreement as provided herein, the invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of the remaining provisions, which shall be enforced as if the offending provision had not been included in this Agreement.
- e. Nothing herein shall obligate AngioDynamics to continue to retain Executive in AngioDynamics' employment or limit or impair AngioDynamics' ability to terminate Executive's employment at will, with or without cause for any reason. Executive is an employee at will.
- f. In the event of a violation of this Agreement, the time limitations set forth in this Agreement shall be extended for a period of time equal to the period of time during which such breach occurs, and, in the event AngioDynamics is required to seek relief from such breach before any court, board, or other tribunal, then the time limitation shall be extended for a period of time equal to the pendency of such proceedings, including all appeals.
- g. For twenty four (24) months following the termination of Executive's employment with AngioDynamics pursuant to the Severance Agreement, Executive agrees to show this Agreement to any prospective employer before Executive directly or indirectly owns, manages, operates, controls, becomes employed by, becomes a shareholder of, becomes a director of, becomes an officer of, participates in, contracts with or becomes connected in any capacity or in any manner with such person or entity during any restrictive period provided in this Agreement. Executive also agrees to inform AngioDynamics at the time Executive gives notice of separation from employment, of the identity of Executive's new employer and Executive's new job title and responsibilities.
- h. Executive ACKNOWLEDGES HAVING READ, EXECUTED, AND RECEIVED A COPY OF THIS AGREEMENT, UNDERSTANDS HIS/HER OBLIGATIONS UNDER THIS AGREEMENT, SIGNS IT VOLUNTARILY, INTENDS TO BE LEGALLY BOUND BY THIS AGREEMENT, AND AGREES THAT WITH RESPECT TO THE SUBJECT MATTER HEREOF IT IS EXECUTIVE'S ENTIRE AGREEMENT WITH ANGIODYNAMICS AND SUPERSEDES ANY PREVIOUS ORAL OR WRITTEN COMMUNICATIONS, REPRESENTATIONS, UNDERSTANDINGS, OR AGREEMENTS WITH ANGIODYNAMICS OR ANY OF ITS OFFICIALS OR REPRESENTATIVES.

Executive further acknowledges that the restrictions imposed by this Agreement are necessary and reasonable to protect AngioDynamics' business interests and will not preclude Executive from becoming gainfully employed in a suitable capacity following the termination of Executive's employment with AngioDynamics given Executive's general knowledge and experience.

IN WITNESS WHEREOF, Executive has hereunto affixed his/her signature, and thereafter AngioDynamics has witnessed this document this _____ day of _____ 20 _____.

Executive

Witness as to Executive
AngioDynamics, Inc.

Signature

Print Name

Title

CERTIFICATION

I, James C. Clemmer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of AngioDynamics, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 5, 2016

/S/ JAMES C. CLEMMER

James C. Clemmer, President,
Chief Executive Officer

CERTIFICATION

I, Michael C. Greiner, certify that:

1. I have reviewed this quarterly report on Form 10-Q of AngioDynamics, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 5, 2016

/S/ MICHAEL C. GREINER

Michael C. Greiner Executive Vice President,
Chief Financial Officer

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO TITLE 18,
UNITED STATES CODE, SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, James C. Clemmer, President, Chief Executive Officer and Director of ANGIODYNAMICS, Inc. (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to the best of my knowledge:

1. the quarterly report on Form 10-Q of the Company for the fiscal quarter ended August 31, 2016 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 5, 2016

/ s / James C. Clemmer

James C. Clemmer, President,
Chief Executive Officer

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO TITLE 18,
UNITED STATES CODE, SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael C. Greiner, Executive Vice President and Chief Financial Officer of ANGIODYNAMICS, Inc. (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to the best of my knowledge:

1. the quarterly report on Form 10-Q of the Company for the fiscal quarter ended August 31, 2016 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 5, 2016

/ s / Michael C. Greiner

Michael C. Greiner, Executive Vice President and
Chief Financial Officer