

BOVIE MEDICAL Corp  
Form DEF 14A  
June 10, 2016

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**SCHEDULE 14A**

**(Rule 14a-101)**

**Proxy Statement Pursuant To Section 14(a) of**

**The Securities Exchange Act of 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commissions Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to Section 240.14a-12

**BOVIE MEDICAL CORPORATION**

(Name of Registrant as Specified in its Charter)

N/A

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

Payment of filing fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

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

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

(4) Proposed maximum aggregate value of transaction:

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Fee paid previously with preliminary materials.

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(1) Amount previously paid:

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

(3) Filing Party:

(4) Date Filed:

**BOVIE MEDICAL CORPORATION**

**4 Manhattanville Road, Suite 106**

**Purchase, New York 10577**

**NOTICE OF 2016 ANNUAL MEETING OF STOCKHOLDERS**

Dear Stockholder:

On behalf of your Board of Directors of Bovie Medical Corporation (the "Company"), you are cordially invited to attend the 2016 Annual Meeting of Stockholders to be held on July 28, 2016 at 2:00 p.m. Eastern Standard Time at the offices of Ruskin Moscou Faltischek, P.C., East Tower, 15<sup>th</sup> Floor, 1425 RXR Plaza, Uniondale, New York 11556, Telephone No. 516-663-6600.

**Information Concerning Solicitation and Voting**

The Board of Directors is soliciting proxies for the 2016 Annual Meeting of Stockholders to be held on July 28, 2016. This Proxy Statement contains information for you to consider when deciding how to vote on the matters brought before the meeting.

Voting materials, which include the Proxy Statement, Proxy Card and the 2015 Annual Report, are being mailed to stockholders on or about June 10, 2016. The executive office of our Company is located at 4 Manhattanville Road, Suite 106, Purchase, New York 10577, telephone number (914) 468-4069.

At the meeting, stockholders will be asked to:

1. Elect eight (8) directors to the Board of Directors of the Company to serve until the 2017 Annual Meeting of Stockholders;
- 2.

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Ratify Frazier & Deeter, LLC as independent registered public accounting firm for the Company for the fiscal year ending December 31, 2016;

3. Approve a non-binding advisory resolution supporting the compensation of our named executive officers; and
4. Transact such other business that may properly come before the meeting.

All stockholders are invited to attend the meeting. The close of business on June 10, 2016 is the record date for determining stockholders entitled to vote at the Annual Meeting. Consequently, only stockholders whose names appear on our books as owning our Common Stock at the close of business on June 10, 2016 will be entitled to notice of, and to vote at, the Annual Meeting and adjournment or postponement thereof.

**Your vote is important to us. Please complete, sign, date and promptly return the proxy card in the enclosed envelope, so that your shares will be represented whether or not you attend the annual meeting. Returning a proxy card will not deprive you of your right to attend the meeting and vote your shares in person.**

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDER MEETING TO BE HELD JULY 28, 2016:**

**THIS NOTICE OF ANNUAL MEETING, PROXY STATEMENT, PROXY CARD AND REPORT ON FORM 10-K FOR THE PERIOD ENDING DECEMBER 31, 2015 IS AVAILABLE AT [www.boviemed.com](http://www.boviemed.com). CLICK ON THE BUTTON "Investor Relations".**

**By order of the Board of Directors**

Dated: June 10, 2016

*/s/ Andrew Makrides*

Andrew Makrides

Chairman of the Board of Directors

## **PROXY STATEMENT**

### **BOVIE MEDICAL CORPORATION**

#### **Information Concerning Solicitation and Voting**

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Voting materials, which include the Proxy Statement, Proxy Card and our 2015 Annual Report on Form 10-K, are being mailed to stockholders on or about June 10, 2016. Our executive office is located at 4 Manhattanville Road, Suite 106, Purchase, New York 10577.

Bovie will bear the expense of soliciting proxies. We estimate that the cost of solicitation of proxies will be approximately \$30,000 to be incurred solely by Bovie. We will reimburse banks, brokers and other custodians, nominees and fiduciaries for reasonable charges and expenses incurred in forwarding soliciting materials to their clients.

#### **ABOUT THE ANNUAL MEETING**

##### **WHO IS SOLICITING YOUR VOTE?**

The Board of Directors of Bovie Medical Corporation (the "Company") is soliciting your vote at the 2016 Annual Meeting of Bovie's common stockholders being held at 2:00 p.m. Eastern Standard Time on July 28, 2016, at the offices of Ruskin Moscou Faltischek, P.C., East Tower, 15<sup>th</sup> Floor, 1425 RXR Plaza, Uniondale, New York 11556, Telephone No. (516) 663-6600.

##### **WHAT WILL YOU BE VOTING ON?**

(1) Election of eight (8) directors to the Board of Directors; (2) Ratification of Frazier & Deeter, LLC, as Bovie's auditors for the fiscal year ending December 31, 2016; (3) Approval of a non-binding advisory resolution supporting the compensation of our named executive officers; and (4) any other matters which may properly come before the meeting.

**HOW MANY VOTES DO STOCKHOLDERS HAVE?**

You will have one vote for every share of the Company's common stock you owned of record on June 10, 2016 (the "Record Date"), inclusive of the holders of the Company's Series B Convertible Preferred Stock on an as-converted basis. Each share of Series B Convertible Preferred Stock is convertible into two (2) shares of Common Stock.

**HOW MANY VOTES CAN BE CAST BY ALL STOCKHOLDERS?**

Each outstanding share of common stock which was outstanding on the Record Date, inclusive of the holders of the Company's Series B Convertible Preferred Stock on an as-converted basis, is entitled to one vote. The common stock, and the holders of the Company's Series B Convertible Preferred Stock on an as-converted basis, will vote as a single class on all matters scheduled to be voted on at the Annual Meeting. There is no cumulative voting.

**HOW MANY VOTES MUST BE PRESENT TO HOLD THE MEETING?**

A majority of the outstanding shares of common stock entitled to vote (inclusive of shares of the Company's Series B Convertible Preferred Stock on an as-converted basis) represented in person or by proxy constitute a quorum. Abstentions and broker non-votes will count for purposes of determining whether a quorum exists, but not for voting purposes.

**HOW MAY I VOTE MY SHARES?**

You can vote either in person at the Annual Meeting or by proxy without attending the Annual Meeting. We urge you to vote by proxy even if you plan to attend the Annual Meeting so that we will know as soon as possible that enough votes will be present for us to hold the meeting.

**(a) How may I vote my shares in person at the meeting?**

If your shares are registered directly in your name with our transfer agent, Manhattan Transfer Registrar Co., on the Record Date, you are considered, with respect to those shares, the stockholder of record, and the proxy materials and proxy card are being sent directly to you by the Company. As the stockholder of record, you have the right to vote in person at the meeting. If your shares are held in a brokerage account or by another nominee, you are considered the beneficial owner of shares held in street name, and the proxy materials are being forwarded to you together with a voting instruction card. As the beneficial owner, you are also invited to attend the Annual Meeting. Since you are a beneficial owner and not the stockholder of record, you may not vote these shares in person at the meeting unless you obtain a "legal proxy" from the broker, trustee or nominee that holds your shares in its name, giving you the right to vote the shares at the meeting.

**(b) How can I vote my shares without attending the meeting?**

Whether you hold shares directly as a registered stockholder of record or beneficially in street name, you may vote without attending the meeting. You may vote by granting a proxy or, for shares held in street name, by submitting voting instructions to your broker or nominee. In most cases, you will be able to do this by telephone, by using the internet or by mail. Please refer to the summary instructions included with proxy materials and on your proxy card. For shares held in street name, the voting instruction card will be included in the materials forwarded by the broker or nominee. If you have telephone or internet access, you may submit your proxy by following the instructions with your proxy materials and on your proxy card. You may submit your proxy by mail by signing your proxy card or, for shares

held in street name, by following the voting instructions with your proxy materials and on your proxy card. You may submit your proxy by mail by signing your proxy card or, for shares held in street name, by following the voting instruction card included in the materials forwarded by your stockbroker or nominee and mailing it in the enclosed, postage paid envelope. If you provide specific voting instructions, your shares will be voted as you have instructed.

#### **WHAT ARE "BROKER NON-VOTES"?**

Broker non-votes occur when a beneficial owner of shares held in "street name" does not give instructions to the broker or nominee holding the shares as to how to vote on matters deemed "non-routine." Generally, if shares are held in street name, the beneficial owner of the shares is entitled to give voting instructions to the broker or nominee holding the shares. If the beneficial owner does not provide voting instructions, the broker or nominee can still vote the shares with respect to matters that are considered to be "routine," but not with respect to "non-routine" matters. Under the rules and interpretations of the New York Stock Exchange ("NYSE"), "non-routine" matters are matters that may substantially affect the rights or privileges of stockholders, such as mergers, stockholder proposals, election of directors (even if not consented) and executive compensation.



## **HOW MANY VOTES ARE NEEDED TO APPROVE EACH PROPOSAL?**

- For Proposal One, each of the eight (8) nominees for director receiving a majority of the votes cast will be elected (A majority of votes cast means that the number of votes cast "for" a director must exceed the number of votes cast "against" that director.). A proxy marked "withhold" with respect to the election of a director will not be voted as to the director indicated, but will be counted for purposes of determining whether there is a quorum. Broker non-votes will not affect the outcome of the vote on this matter.
- For Proposal Two, an affirmative vote of the majority of the votes cast by shareholders present in person or represented by proxy at the meeting is required to approve the ratification of the appointment of Frazier & Deeter, LLC as our independent registered public accounting firm for its fiscal year ending December 31, 2016.
- For Proposal Three, an affirmative vote of the majority of the votes cast by shareholders present in person or represented by proxy at the meeting is required to approve, on an advisory basis, the compensation of our Named Executive Officers as described in this proxy statement.

In the case of Proposal Three, the advisory votes with respect to executive compensation will neither be binding on the Company or Board of Directors, nor will they create or imply any change in the fiduciary duties of or impose any additional fiduciary duties on, the Company or the Board of Directors. However, the Board of Directors values the opinions expressed by the stockholders in this advisory vote and will consider the outcome of this vote in determining its compensation policies. Abstentions and broker non-votes are counted to determine whether a quorum is present at the meeting but are not counted as a vote in favor of or against a particular matter.

## **WHAT IS THE QUORUM REQUIREMENT?**

A quorum of stockholders is necessary to hold a valid meeting. A quorum will be present if stockholders holding at least a majority of the outstanding shares entitled to vote are present at the meeting in person or represented by proxy. On the record date, there were 27,194,251 shares of common stock issued and 27,051,172 outstanding and entitled to vote and 3,588,139 shares of the Company's Series B Convertible Preferred Stock issued and 1,975,639 outstanding of which 3,000,677 shares are entitled to vote. Thus, the holders of 15,025,926 shares of voting stock must be present in person or represented by proxy at the meeting to have a quorum.

Your shares will be counted towards the quorum only if you submit a valid proxy (or one is submitted on your behalf by your broker, bank or other nominee) or if you vote in person at the meeting. Abstentions and broker non-votes will be counted towards the quorum requirement. If there is no quorum, the holders of a majority of shares of voting stock present at the meeting in person or represented by proxy may adjourn the meeting to another date.



**CAN YOU CHANGE YOUR VOTE?**

**(a) Can a stockholder change his vote?**

Yes. Any registered stockholder who voted by proxy or in person may change his or her vote at any time before recording the votes on the date of the Annual Meeting.

**(b) How can I change my vote after I return my proxy card?**

Provided you are the stockholder of record or have legal proxy from your nominee, you may revoke your proxy and change your vote at any time before the final vote at the meeting. You may do this by signing and submitting a new proxy card bearing a later date, or by attending the meeting and voting in person. Attending the meeting will not revoke your proxy unless you specifically request it.

**WHAT IF YOU DO NOT VOTE FOR SOME OF THE MATTERS LISTED ON YOUR PROXY?**

If you return a signed proxy without indicating your vote for some or all of the proposals, your shares will be voted "FOR" the Board's nominees for director, "FOR" the ratification of Frazier & Deeter, LLC and "FOR" the approval of the non-binding advisory resolution supporting the compensation of our named executive officers and in the proxy holder's best judgment as to any other matters raised at the Annual Meeting.

**WHAT IF YOU VOTE "ABSTAIN"?**

A vote to "abstain" on any matter indicates that your shares will not be voted for such matter and will have the effect of a vote against the proposal. Abstentions are considered as being present for quorum purposes.

**CAN YOUR SHARES BE VOTED IF YOU DO NOT RETURN YOUR PROXY AND DO NOT ATTEND THE ANNUAL MEETING?**

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A broker non-vote occurs when a nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power for that particular item, and has not received instructions from the beneficial owner. Broker non-votes count for quorum purposes but not for voting purposes.

If you do not attend and vote your shares which are registered in your name or if you do not otherwise fill out the proxy card and vote by proxy, your shares will not be voted.

**WHAT HAPPENS IF THE MEETING IS POSTPONED OR ADJOURNED?**

Your proxy will still be valid and may be voted at the postponed or adjourned meeting. You will still be able to change or revoke your proxy until it is actually voted.

**WHAT IS HOUSEHOLDING OF ANNUAL MEETING MATERIALS?**

Some banks, brokers and other nominee record holders may be participating in the practice of "householding" proxy statement and annual reports. This means that only one copy of our proxy statement and annual report to Stockholders may have been sent to multiple Stockholders in your household. We will promptly deliver a separate copy of either document to you if you contact the Secretary at the following address or telephone number: 4 Manhattanville Road, Suite 106, Purchase, New York 10577, telephone number (914) 468-4069. If you want to receive separate copies of the proxy statement or the annual report to Stockholders in the future, or if you are receiving multiple copies and would like to receive only one copy per household, you should contact your bank, broker or other nominee record holder, or you may contact the Company at the above address or telephone number.

**DO STOCKHOLDERS HAVE DISSENTER'S RIGHTS?**

Stockholders are not entitled to dissenter's rights of appraisal with respect to any of the proposals being voted on.

**PROPOSAL ONE**

**ELECTION OF DIRECTORS AND MANAGEMENT INFORMATION**

The Governance and Nominating Committee has nominated eight (8) persons consisting of John C. Andres, Michael Geraghty, Robert L. Gershon, Andrew Makrides, Charles T. Orsatti, J. Robert Saron and Lawrence J. Waldman, each a current Director, for re-election to the Board of Directors and Scott Davidson, a Great Point Partners, LLC nominee.

Each director serves from the date of his or her election until the next annual meeting of stockholders and until his successor is duly elected and qualified. The accompanying proxy card will be voted in favor of the persons named above to serve as directors, unless the Stockholder indicates to the contrary on the proxy card. See "Information Regarding Executive Officers and Directors" for biographical information as to each nominee.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE "FOR" THIS PROPOSAL 1 TO ELECT AS DIRECTORS THE EIGHT NOMINEES PROPOSED BY THE GOVERNANCE AND NOMINATING COMMITTEE OF THE BOARD OF DIRECTORS.**

**Information Regarding our Board of Directors**

Our Certificate of Incorporation and Bylaws provide for our Company to be managed by or under the direction of the Board of Directors. Under our Certificate of Incorporation and Bylaws, the number of directors is fixed from time to time by the Board of Directors. The maximum number of directors permitted is currently fixed at nine, and the number of directors constituting the entire Board is currently seven. The Board has voted to expand the number of directors to eight effective with the election on July 28, 2016. The Board currently has four members who have been determined to be "independent" as defined by the applicable rules of the NYSE MKT Market and the Securities and Exchange Commission. These "independent" directors are Charles T. Orsatti, Michael Geraghty, John C. Andres and Lawrence J. Waldman. Scott Davidson, a director nominee, would also be deemed to be "independent" under these rules. Our Common Stock is listed on the NYSE MKT Market under the symbol "BVX".

The primary responsibilities of our Board of Directors are to provide oversight, strategic guidance, counseling and direction to our management. Our Board of Directors meets on a regular basis and additionally as required. Written or electronic materials are distributed in advance of meetings as a general rule and our Board of Directors schedules meetings with, and presentations from, members of our senior management on a regular basis and as required.

Directors are elected at the Annual Meeting of Stockholders and hold office until our next Annual Meeting and until their successors are elected and qualified. Officers are appointed by the Board of Directors and serve at the pleasure of the Board of Directors.

The Board of Directors held seven (7) meetings and acted by unanimous written consent fourteen (14) times during the 2015 fiscal year. All of the directors attended 100% of the meetings of the Board of Directors and of the committees on which they served. While we encourage all members of the Board of Directors to attend Annual Meetings of Stockholders, there is no formal policy as to their attendance.

### **Legal Proceedings Involving Directors**

There were no legal proceedings involving the nominees to the Board of Directors in the past ten years.

### **Board Leadership Structure**

The independent directors appointed Lawrence J. Waldman as the Lead Independent Director. The Lead Independent Director is appointed by the Board and is responsible for coordinating the activities of the independent directors and coordinating with the Chief Executive Officer of the Company to set agendas for Board meetings and chair executive sessions of the independent directors. The Lead Independent Director is also responsible for meeting, from time to time, with the Company's Compensation Committee to discuss the Chief Executive Officer's performance.

The Company's Corporate Governance Policies also contain several features which the Company believes will ensure that the Board maintains effective and independent oversight of management, including the following:

- Executive sessions without management and non-independent directors present are a standing Board agenda item. Executive sessions of the independent directors are held at any time requested by an independent director and, in any event, are held in connection with at least 60% of regularly scheduled Board meetings.
- The Board regularly meets in executive session with Mr. Gershon without other members of management present.
- All Board committee members are independent directors. The committee chairs have authority to hold executive sessions without management and non-independent directors present.

The Board has no formal policy with respect to separation of the positions of Chairman and CEO or with respect to whether the Chairman should be a member of management or an independent director, and believes that these are matters that should be discussed and determined by the Board from time to time. On December 13, 2013, Andrew Makrides resigned from his position as Chief Executive Officer of the Company and Robert Gershon was appointed as Chief Executive Officer of the Company. Mr. Gershon is tasked with the responsibility of implementing our corporate strategy, we believe he is best suited for leading discussions, at the Board level, regarding performance relative to our corporate strategy, and this discussion accounts for a significant portion of the time devoted at our Board meetings.

### **Risk Management Oversight**



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The Board believes that risk management is an important component of the Company's corporate strategy. While we assess specific risks at our committee levels, the Board, as a whole, oversees our risk management process, and discusses and reviews with management major policies with respect to risk assessment and risk management. The Board is regularly informed through its interactions with management and committee reports about risks we face in the course of our business. Our Audit Committee also takes an active role in risk assessment and risk management.

**INFORMATION REGARDING EXECUTIVE OFFICERS, DIRECTORS AND DIRECTOR NOMINEES**

The following table sets forth the names, ages and positions within the Company of each of our directors, director nominees, executive officers and key employees.

<b>Name of Nominee</b>	<b>Age</b>	<b>Board Independence</b>	<b>Position</b>
Andrew Makrides	74	No	Executive Chairman of the Board
Robert L. Gershon	49	No	Chief Executive Officer and Director
J. Robert Saron	63	No	President, Chief Sales and Marketing Officer and Director
Jay D. Ewers	55	N/A	Chief Financial Officer, Treasurer and Secretary
Charles T. Orsatti	71	Yes	Vice Chairman of the Board
Moshe Citronowicz	63	N/A	Senior Vice President
Michael Geraghty	68	Yes	Director
Lawrence J. Waldman	69	Yes	Director
John J. McCarthy	49	N/A	Chief Commercialization Officer
John C. Andres	58	Yes	Director
Scott Davidson	46	Yes	Director nominee

**Andrew Makrides, Esq.**, age 74, Executive Chairman of the Board of Directors, received a Bachelor of Arts degree in Psychology from Hofstra University and a Juris Doctor Degree from Brooklyn Law School. He is a member of the Bar of the State of New York and practiced law from 1968 until joining Bovie Medical Corporation as a co-founder and Executive Vice President and director, in 1982. Mr. Makrides became President of the Company in 1985 and the CEO in December 1998 and has served as such until March 18, 2011 at which point he relinquished his position as President, but remained CEO until December 2013. Mr. Makrides employment contract extends to December 31, 2016. Mr. Makrides has over 30 years of executive experience in the medical industry.

**Robert L. Gershon**, age 49, has been the Company's Chief Executive Officer and Director since December 2013, and has over 25 years of healthcare industry experience. On the operations side he ran the largest sales and marketing business at Covidien. With over \$1B in P&L responsibility he consistently led an organization of over 600 people to double-digit revenue growth outpacing market category growth and capturing significant market share points during challenging healthcare economic conditions. He also was VP of sales and marketing at Henry Schein (\$1.4B shared P&L for medical division/\$115M full P&L for dialysis division) and earlier in his career spent over 13 years as a healthcare consultant for Booz, Allen, KPMG and two boutique consultancies where his practice focused on strategic planning, business development and mergers and acquisitions. Mr. Gershon received an MBA from J.L. Kellogg Graduate School of Management at Northwestern University and a BSBA degree from American University.

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**J. Robert Saron**, age 63, President, Chief Sales and Marketing Officer and Director, holds a Bachelor degree in Social and Behavioral Science from the University of South Florida. From 1988 to present Mr. Saron has served as a director of the Company. Mr. Saron has previously served as both director and president of the Health Care Manufacturing Management Council. In 2011 Mr. Saron received the Leonard Berke Achievement award for ethics, mentoring, marketing skill, industry knowledge, contributions to the industry and contributions to HMMC. He currently serves as a director of the Health Industry Distributors Association Education Foundation. Mr. Saron received the Health Industry Distributors Association's highest award in 2008, the Industry Award of Distinction, and in February 2013 was inducted into the Medical Distribution Hall of Fame. Mr. Saron's employment contract extends to December 31, 2016. Mr. Saron brings over 35 years of executive marketing and distribution experience in the medical industry.

**John J. McCarthy**, age 49, has served as our Chief Commercialization Officer since March 2014. Mr. McCarthy has 23 years of sales and marketing experience of which the last 16 years has been spent in the healthcare industry. From January 2013 until March 2014 he served as Vice President of Sales and Marketing for US Healthcare at Z-Medica. Prior to that, Mr. McCarthy spent 15 years with Covidien, in positions of increasing responsibility where he was charged with achieving sales and business development goals. His most recent position at Covidien was as Area Sales Vice President for the Endo Mechanical Intelligent Device franchise, where he managed a team of 50 sales professionals. Mr. McCarthy is a graduate of Loyola College in Baltimore, Maryland, where he obtained a BA degree in Marketing in 1988 and an MBA in Marketing in 1990.

**Jay D. Ewers**, CPA, age 55, Chief Financial Officer, Treasurer and Secretary, has more than 30 years of accounting experience, having held financial executive positions in corporations ranging from early stage to high profile public companies with global operations in the medical equipment, manufacturing and semiconductor industries. Mr. Ewers joined the company as Corporate Controller in June, 2014. From 2004 to 2014, Mr. Ewers worked in private practice providing accounting and advisory services to both publicly traded and privately-held companies. Mr. Ewers received his CPA license in 1987 and is a certified internal auditor.

**Moshe Citronowicz**, age 63, Senior Vice President came to the United States in 1978, and has worked in a variety of manufacturing and high technology industries. In October 1993, Mr. Citronowicz joined the Company as Vice President of Operations and served as our Chief Operating Officer until November 2011. Currently, he is serving as the Senior Vice President. Mr. Citronowicz's employment contract extends to December 31, 2016.

**Lawrence J. Waldman**, CPA, age 69, has served as a director since 2011 and he is currently the Chair of our audit committee and Lead Independent Director of the Board. Mr. Waldman has over thirty-five years of experience in public accounting. Mr. Waldman joined First Long Island Investors LLC, an investment and wealth management firm, as a Managing Director in May 2016. Prior to that Mr. Waldman served as an advisor to the accounting firm of EisnerAmper LLP, where he was previously the Partner-in-Charge of Commercial Audit Practice Development for Long Island since September 2011. Prior to joining EisnerAmper LLP, Mr. Waldman was the Partner-in-Charge of Commercial Audit Practice Development for Holtz Rubenstein Reminick, LLP from July 2006 to August 2011. Mr. Waldman was the Managing Partner of the Long Island office of KPMG LLP from 1994 through 2006, the accounting firm where he began his career in 1972. Mr. Waldman serves as a member of the Board of Directors of Northstar/RXR Metro Income Fund, a non-traded Real Estate Investment Trust, and has served as a member of its audit committee since 2014. Mr. Waldman also serves as a member of the State University of New York's Board of Trustees and as chair of its audit committee. Mr. Waldman was elected to the Board of Directors of Comtech Telecommunications Corp. in August of 2015, and since December 2015, serves as Chair of its Audit Committee. Mr. Waldman is also a member of Supervisory Committee of Bethpage Federal Credit Union. He previously served as the Chairman of the Board of Trustees of the Long Island Power Authority and as Chair and a member of the finance and audit committee of its Board of Trustees. Mr. Waldman meets the definition of a financial expert as defined by the SEC and NYSE MKT.

**Michael Geraghty**, age 68, has served as a director since March 2011 and is the Executive Vice President of Global Sales at Optos, Inc., a developer and manufacturer of retinal imaging devices for screening, detection and diagnosis of eye related conditions. From 2005 through

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2008, he was the President of International Sales at Gyrus Acmi where he first started in 2000 as Senior Vice President of Sales for Gyrus Medical. Prior to this, Mr. Geraghty was the Vice President of Sales and Marketing for Everest Medical, Inc. and before that was the Director of Marketing for Advanced Products at Arthrocare Corporation. Mr. Geraghty specializes in building independent direct sales teams in the medical device industry and has extensive domestic and international sales and marketing experience. He received his bachelor's degree from St. Mary's University and graduate degree in Executive Sales Management from the University of Minnesota.

**John Andres**, age 58, has over thirty years of experience in the medical device industry and was appointed to our Board in July, 2014. Since April, 2004, Mr. Andres has been a private consultant, doing business through John C. Andres, LLC, specializing in patent/business strategy development and execution. He also is a partner of Hawk Healthcare, LLC, which provides strategic transaction management to private individuals and companies. In 2004, Mr. Andres helped found K2M, Inc. (KTWO), and from 2004 until 2010 served as a member of the Board of Directors of K2M, Inc. Prior to 2004, Mr. Andres held various legal and strategic business development positions at the Surgical Division of Tyco Healthcare Group, LLP, now Medtronic (NYSE: MDT) and its predecessor, United States Surgical Corporation. Before joining U.S. Surgical, Mr. Andres worked at the New York law firm of Morgan & Finnegan. He received his Associate of Applied Science degree from Rochester Institute of Technology, his Bachelor of Arts degree from Lehigh University, and his Juris Doctor from Pace University School of Law.

**Charles T. Orsatti**, age 71, joined the Board in May, 2015 and serves as our Vice Chairman of the Board as well as Chair of our Compensation Committee and member of our Audit Committee. Mr. Orsatti has served as a member of the board of Biotronic Neuronetwork, Inc., a provider of inter-operative neurological monitoring services for hospital based intensive surgeries, from 2008 to the present, as well as chairman of the board from 2013 to the present. From 2008 to 2011, Mr. Orsatti served as a director of Angiodynamics, Inc., a Nasdaq-listed medical device manufacturer. He also served as a director of SRI Surgical, Inc. from 2004 to 2011. Mr. Orsatti previously served as chairman and director of djOrthopedics, Inc., a NYSE-listed orthopedic sports medicine company, from 1999 until November 2007. Since 1995, Mr. Orsatti has been Chairman and Managing Partner of Fairfield Capital Partners, Inc., a private equity investment firm. Mr. Orsatti was Chairman and Chief Executive Officer of Fairfield Medical Products Corporation, a manufacturer of critical care products. From 1998 to 2007, Mr. Orsatti was a senior consultant to J.P. Morgan Partners and was appointed the Managing Partner of a large investment fund focused on acquisitions in the orthopedic healthcare segment. From 1983 to 1986, he was Chief Executive Officer of Coloplast, Inc., a manufacturer of single use products and then served as Chief Operating Officer and President of two medical divisions of British Oxygen Corporation. Mr. Orsatti began his career with the medical products division of Air Products and Chemicals, Inc. and subsequently worked for the Critikon Division of Johnson & Johnson. He also served as a Captain in the United States Army. He received his Bachelor Science in Marketing and Management from Penn State University. Mr. Orsatti is a director nominee of Great Point Partners, pursuant to our agreement with Great Point Partners.

**Scott R. Davidson**, age 46, has more than twenty years of experience investing in and analyzing public and private healthcare companies. Since April 2005, he has served as Managing Director at Great Point Partners, LLC where he has led the firm's investment effort in the field of medical devices. Previously, he served as Managing Director and Senior Equity Research Analyst at Piper Jaffray and in equity research roles at Bear Stearns & Company and Robertson Stephens & Company. Mr. Davidson began his career at Canaan Partners, a venture capital firm, where he focused primarily on healthcare investments. In addition to his investment roles, Mr. Davidson has served as a consultant to medical device companies. Mr. Davidson holds an A.B. degree in Economics from Harvard, and an MBA from the Stanford Graduate School of Business where he was an Arjay Miller Scholar. Mr. Davidson is a director nominee of Great Point Partners, pursuant to our agreement with Great Point Partners.

## COMMITTEES OF OUR BOARD OF DIRECTORS

We have a standing Audit Committee, Compensation Committee and Governance and Nominating Committee.

### Audit Committee

The Audit Committee assists the Board in its general oversight of our financial reporting, internal controls, and audit functions, and is directly responsible for the appointment, compensation and oversight of the work of our independent registered public accounting firm. The Audit

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Committee reviews and discusses with management and our independent accountants the annual audited and quarterly financial statements (including the disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations"), reviews the integrity of the financial reporting processes, both internal and external, reviews the qualifications, performance and independence of our independent accountants, and prepares the Audit Committee Report included in its Annual Report on Form 10-K in accordance with rules and regulations of the Securities and Exchange Commission. The Audit Committee has the power to investigate any matter brought to its attention within the scope of its duties. It also has the authority to retain counsel and advisors to fulfill its responsibilities and duties. The Audit Committee also acts as a qualified legal compliance committee.

The meetings of the Committee are designed to facilitate and encourage communication among the Committee, the Company and the Company's independent auditor. The Committee discussed with the Company's Independent Auditor the overall scope and plans for their respective audits. The Committee meets with the independent auditor, with and without management present, to discuss the results of their examinations; their evaluations of the Company's internal controls; and the overall quality of the Company's financial reporting.

Our Audit Committee consists of three independent members of the Board of Directors. As a smaller reporting company, we are required to have at least two independent members comprising our Audit Committee in accordance with Rule 10A-3 of the Securities Exchange Act of 1934 and the rules of the NYSE MKT Exchange. During 2015 Lawrence J. Waldman, CPA served as the Audit Committee Chairman and financial expert. Mr. Waldman qualifies as a "financial expert" (as defined in Item 407(a)(5) of Regulation S-K promulgated under the Exchange Act), for the Committee. The Audit Committee meets as often as it determines necessary but not less frequently than once every fiscal quarter. During 2015, the Audit Committee held six (6) meetings.

The membership of the Audit Committee, together with appointment dates and attendance at meetings, is set forth below:

<b>Members</b>	<b>Committee member since</b>	<b>Attendance Attendance at full meetings during 2015</b>
Lawrence J. Waldman	March, 2011	6/6
John C. Andres	July, 2014	6/6
Charles T. Orsatti	July, 2015	6/6

A copy of the Audit Committee Charter will be provided to any person without charge upon written request to the Company's address to the attention of the Secretary. A copy of the Audit Committee Charter is available at [www.boviemed.com](http://www.boviemed.com). Select the "Investor Relations" button.

### **Governance and Nominating Committee**

The Governance and Nominating Committee is responsible for matters relating to the corporate governance of our company and the nomination of members of the board and committees thereof. During 2015, our Governance and Nominating Committee consisted of three independent members of the Board of Directors, John C. Andres, who serves as Chairman, Lawrence J. Waldman, and Michael Geraghty. The Governance and Nominating Committee meets as often as it determines necessary, but not less than once a year. During 2015, the Governance and Nominating Committee held one (1) meeting.

When considering whether directors and nominees have the experience, qualifications, attributes or skills, taken as a whole, to enable the Board of Directors to satisfy its oversight responsibilities effectively in light of the Company's business and structure, the Governance and Nominating Committee focused primarily on each person's background and experience as reflected in the information discussed in each of the directors' individual biographies set forth above. We believe that our directors provide an appropriate mix of experience and skills relevant to the size and nature of our business. As more specifically described in such person's individual biographies set forth above, our directors possess relevant and industry-specific experience and knowledge in the medical, engineering and business fields, as the case may be, which we believe enhances the Board's ability to oversee, evaluate and direct our overall corporate strategy. The Governance and Nominating Committee annually reviews and makes recommendations to the Board regarding the composition and size of the Board so that the Board consists of members with the proper expertise, skills, attributes, and personal and professional backgrounds needed by the Board, consistent with applicable regulatory requirements.





In addition, pursuant to our agreement with Great Point Partners, Great Point Partners is entitled to nominate two (2) persons for election as directors at the Annual Meeting. Messer's Orsatti and Davidson are the Great Point Partners' nominees, to be voted upon at the Annual Meeting.

The Governance and Nominating Committee believes that all directors, including nominees, should possess the highest personal and professional ethics, integrity, and values, and be committed to representing the long-term interests of our stockholders. The Governance and Nominating Committee will consider criteria including the nominee's current or recent experience as a senior executive officer, whether the nominee is independent, as that term is defined in existing independence requirements of the NYSE MKT Market and the Securities and Exchange Commission, the business, scientific or engineering experience currently desired on the Board, geography, the nominee's industry experience, and the nominee's general ability to enhance the overall composition of the Board.

The Governance and Nominating Committee does not have a formal policy on diversity; however, in recommending directors, the Board and the Committee consider the specific background and experience of the Board members and other personal attributes in an effort to provide a diverse mix of capabilities, contributions and viewpoints which the Board believes enables it to function effectively as the Board of Directors of a company with our size and nature of business.

If a Stockholder wishes to nominate a candidate to be considered for election as a director at the 2016 Annual Meeting of Stockholders, he or she must submit nominations in accordance with the procedures set forth in "Stockholder Proposals For Next Annual Meeting." If a Stockholder wishes simply to propose a candidate for consideration as a nominee by the Governance and Nominating Committee, he or she should submit any pertinent information regarding the candidate to the members of the Governance and Nominating Committee of Bovie Medical Corporation, c/o Secretary, 4 Manhattanville Road, Suite 106, Purchase, New York 10577.

A copy of the Governance and Nominating Committee Charter will be provided to any person without charge upon written request to the Company's address to the attention of the Secretary. A copy of the Governance and Nominating Committee Charter is available [www.boviemed.com](http://www.boviemed.com). Select the "Investor Relations" button.

### **Compensation Committee**

The Compensation Committee is responsible for overseeing our compensation and employee benefit plans (including those involving the issuance of our equity securities) and practices, including formulating, evaluating, and approving the compensation of our executive officers and reviewing and recommending to the full Board of Directors the compensation of our Chief Executive Officer. During 2015, our Compensation Committee consisted of three independent members of the Board of Directors, John C. Andres, Charles T. Orsatti, who serves as our Chairman, and Lawrence J. Waldman, CPA. The Compensation Committee meets as often as it determines necessary, but not less than once a year. During 2015, the Compensation Committee held four (4) meetings.

In 2014, the Compensation Committee engaged Pearl Meyer and Partners as an independent consultant to assist the Compensation Committee in reviewing the compensation of the Company's executive management team and independent directors, as well as provided guidance as to the structure of the Company's equity incentive plans.

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A copy of the Compensation Committee Charter will be provided to any person without charge upon written request to the Company's address to the attention of the Secretary. A copy of the Compensation Committee Charter is available [www.boviemed.com](http://www.boviemed.com). Select the "Investor Relations" button.

The table below indicates the current membership of each committee and how many times the Board and each committee met in 2015:

	<b>Governance</b>			
	<b>and</b>			
	<b>Board</b>	<b>Audit</b>	<b>Nominating</b>	<b>Compensation</b>
Andrew Makrides	Chairman			
J. Robert Saron	Member			
Robert L. Gershon	Member			
John C. Andres	Member	Member	Chairman	Member
Michael Geraghty	Member		Member	
Lawrence J. Waldman	Member	Chairman <sup>(1)</sup>	Member	Member
Charles T. Orsatti <sup>(2)</sup>	Vice Chairman	Member		Chairman
Number of Meetings	7	6	1	4

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- (1) Mr. Waldman has also been designated the Audit Committee's financial expert as well as the Board's Lead Independent Director.
  - (2) Mr. Orsatti was appointed as Vice Chairman of the Board of Directors on May 6, 2015.

#### **Stockholder Communications**

The Board of Directors provides a process by which Stockholders may communicate with the Board, including our independent directors. Stockholders who wish to communicate with the Board may do so by sending written communications addressed to any director or the entire Board of Directors of Bovie Medical Corporation, c/o Secretary, 4 Manhattanville Road, Suite 106, Purchase, New York 10577. All mail received at the above address that is addressed to the Board of Directors or any individual director will be relayed by the Company to the Board of Directors or such individual director. On a periodic basis, all such communications will be compiled by the Secretary and submitted to the Board of Directors or the individual director to whom the communications are addressed.

#### **Code of Ethics**

On March 30, 2004, Bovie adopted a code of ethics that applies to all of our directors, officers and employees, including our principal executive officer and principal financial officer.

A copy of the code of ethics will be provided to any person without charge upon written request to the Company's address to the attention of the Secretary. A copy of the code of ethics is available at [www.boviemed.com](http://www.boviemed.com). Select the "Investor Relations" button.



## COMPENSATION DISCUSSION AND ANALYSIS

### General Compensation Philosophy

The primary objective of our compensation program for employees, including our compensation program for executive officers, is to attract, retain, and motivate qualified individuals and reward them in a manner that is fair to all stockholders. We strive to provide incentives for every employee that rewards them for their contribution to the Company.

Our compensation program is designed to be competitive with other employment opportunities and to align the interests of all employees, including executive officers, with the long-term interests of our stockholders. Historically, for our executive officers, we link a much higher percentage of total compensation to incentive compensation such as stock based compensation than we do for other employees.

With these objectives in mind, our Board has built executive and non-executive compensation programs that consist of three principal elements - base salary, performance bonuses, and grants of stock options and/or shares of restricted stock.

To understand the competitiveness of compensation arrangements provided to our named executive officers, in 2014 the Compensation Committee engaged Pearl Meyer & Partners to perform a competitive assessment of base salaries, bonuses for on-target performance, and grants of equity incentives. The competitive frame of reference for the study consisted of a group of pre-selected companies that were of comparable size and operated in our industry category. The group of companies utilized were:

Cutera, Inc.	IRIDEX Corporation	Stereotaxis Inc.
ERBA Diagnostics, Inc.	LeMaitre Vascular, Inc.	Synergetics USA, Inc.
Hansen Medical, Inc.	MGC Diagnostics Corporation	Uroplasty, Inc.
iCAD, Inc.	Misonix Inc.	Utah Medical Products Inc.
IRadimed Corporation	Retractable Technologies, Inc.	Vision-Sciences Inc.

In addition to the peer group, Pearl Meyer referenced industry-specific, size-adjusted market survey data where appropriate.

The results of the survey confirmed that, consistent with our desired philosophy, our compensation arrangements were competitive with the marketplace, with some variation by individual.

**Compensation Program****Base Salary**

We pay base salaries to our Named Executive Officers (as defined below) in order to provide a consistent, minimum level of pay that sustained individual performance warrants. We also believe that a competitive annual base salary is important to attract and retain an appropriate caliber of talent for each position over time.

<b>Name</b>	<b>Title</b>	<b>Base Salary – 2015</b>
Robert L Gershon	Chief Executive Officer	\$ 350,000
Andrew Makrides	Executive Chairman of the Board	\$ 238,620
Jay D. Ewers	Chief Financial Officer, Treasurer and Secretary	\$ 171,456(1)
J. Robert Saron	President, Chief Sales and Marketing Officer	\$ 305,184
Moshe Citronowicz	Senior Vice President	\$ 204,775
John J. McCarthy	Chief Commercialization Officer	\$ 275,000

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(1) Assumed role as CFO on October 1, 2015. Full year base salary is \$235,000

**Performance Bonus**

The second component of executive compensation is performance bonuses which are earned when defined metrics are achieved.

For 2015, the Company established a combination of financial, operational, and personal objectives as the broad criteria that would determine annual performance bonus amounts for the year.

	<b>Threshold</b>	<b>Target</b>	<b>Achievement</b>			
	<b>(in millions)</b>	<b>(in millions)</b>	<b>(in millions)</b>	<b>Overall Weight</b>	<b>Achievement</b>	<b>Calculation</b>
J Plasma Revenue	\$ 2.0	\$ 2.5	\$ 1.3	30%	0%	0%
Total Revenue Excluding J-Plasma	27.1	27.8	28.1	15%	110.00%	17%
Year End Cash Balance	10.5	10.9	11.6	20%	110.00%	22%
Secondary offering	13	13	13	20%	100.00%	20%
MBO				15%	100.00%	15%
<b>Total</b>				<b>100%</b>		<b>74%</b>

After careful review and consideration of the measures that comprise the 2015 bonus, the Committee approved the following performance bonuses:

<b>Name</b>	<b>Bonus</b>
Robert L Gershon	\$ 129,500
Andrew Makrides	\$ 55,818
Jay D. Ewers	\$ 44,755
J. Robert Saron	\$ 79,043
Moshe Citronowicz	\$ 53,037
John J. McCarthy	\$ 74,000
<b>Total</b>	<b>\$ 436,153</b>

**Stock Options**

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The third component of executive compensation is equity grants which have mainly come in the form of stock options. We believe that equity ownership in our Company is important to provide our Named Executive Officers with long-term incentives to better align interests of executives with the interests of stockholders and build value for our stockholders. In addition, the equity compensation is designed to attract and retain the executive management team. Stock options have value only if the stock price increases over time and, therefore, provide executives with an incentive to build Bovie's value. This characteristic ensures that the Named Executive Officers have a meaningful portion of their compensation tied to future stock price increases and rewards management for long-term strategic planning through the resulting enhancement of the stock price.



Stock option awards to Named Executive Officers are entirely discretionary. The CEO recommends to the Compensation Committee awards for Named Executive Officers other than himself. The Compensation Committee considers this recommendation along with the prior contribution of these individuals, and their expected future contributions to our growth. The Committee formulates and presents its recommended allocation of stock option awards to the Board of Directors for approval. The Compensation Committee then would make an independent determination on CEO stock option awards, again formulating and presenting its recommendation for the allocation of stock option awards to the Board of Directors for approval. The Board of Directors approves, rejects, or, if necessary, modifies the Committee's recommendations.

#### ***Perquisites and Other Benefits***

Our Named Executive Officers are eligible for the same health and welfare programs and benefits as the rest of our employees in their respective locations. In addition, our CEO, Chairman of the Board, President and Chief Sales and Marketing Officer, Chief Financial Officer, Chief Commercialization Officer, and Senior Vice President each receive an automobile allowance.

Our Named Executive Officers are entitled to participate in and receive employer contributions to Bovie's 401(k) Savings Plan. For more information on employer contributions to the 401(k) Savings Plan see the Summary Compensation Table and its footnotes.

#### **Tax and Accounting Considerations**

Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"), places a limit of \$1,000,000 on the amount of compensation that we may deduct as a business expense in any year with respect to each of our most highly paid executives unless, among other things, such compensation is performance-based and has been approved by stockholders. The non-performance-based compensation paid to our executive officers for the 2015 fiscal year did not exceed the \$1 million limit per executive officer. Accounting considerations also play an important role in the design of our executive compensation program. Accounting rules, such as FASB ASC Topic 718-10-10, *Share-Based Payment*, require us to expense the cost of our stock option grants which reduces the amount of our reported profits. Because of option expensing and the impact of dilution on our stockholders, we pay close attention to the number and value of the shares underlying stock options we grant.

#### **Summary Compensation Table**

The following table sets forth the compensation paid to our chief executive officer, chief financial officer, and other highly compensated officers, our "Named Executive Officers," with respect to the Company's fiscal years ended December 31, 2015, December 31, 2014, and December 31, 2013. The Company has no executive officers other than the "Named Executive Officers."

## Summary Compensation Table

Name and Principal Position	Year	Salary	Bonus(\$)	Change in					Total(\$)
				Stock Awards(\$)	Option Awards(\$)(1)	Non-Equity Incentive Plan Compensation(\$)	Pension Value and Nonqualified Deferred Compensation(\$)	All Other Compensation(\$)(3)	
Robert L. Gershon CEO and Director	2015	\$ 350,000	\$ 180,000	\$ -	\$ -	\$ -	\$ -	\$ 30,201	\$ 560,201
	2014	\$ 350,000	\$ 175,500	\$ -	\$ -	\$ -	\$ -	\$ 19,720	\$ 545,220
	2013	\$ 6,731	\$ 50,000	\$ -	\$ 572,250	\$ -	\$ -	\$ 121	\$ 629,102
J. Robert Saron President, Chief Sales & Marketing Officer & Director	2015	\$ 305,184	\$ 79,543	\$ -	\$ -	\$ -	\$ -	\$ 24,383	\$ 409,110
	2014	\$ 317,949	\$ 79,917	\$ -	\$ -	\$ -	\$ -	\$ 16,317	\$ 414,183
	2013	\$ 305,184	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,557	\$ 325,741
John J. McCarthy Chief Commercialization Officer	2015	\$ 275,000	\$ 74,500	\$ -	\$ -	\$ -	\$ -	\$ 29,922	\$ 379,422
	2014	\$ 201,469	\$ 100,500	\$ -	\$ 336,540	\$ -	\$ -	\$ 12,420	\$ 650,929
	2013	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Andrew Makrides Executive Chairman of the Board	2015	\$ 238,620	\$ 56,318	\$ -	\$ -	\$ -	\$ -	\$ 18,621	\$ 313,559
	2014	\$ 238,620	\$ 56,582	\$ -	\$ -	\$ -	\$ -	\$ 18,574	\$ 313,776
	2013	\$ 215,515	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,793	\$ 231,308
Jay D. Ewers * Chief Financial Officer, Treasurer and Secretary	2015	\$ 171,456	\$ 65,255	\$ -	\$ 70,655(2)	\$ -	\$ -	\$ 32,185	\$ 339,551
	2014	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	2013	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Moshe Citronowicz Senior Vice President	2015	\$ 204,775	\$ 53,537	\$ -	\$ -	\$ -	\$ -	\$ 22,066	\$ 280,378
	2014	\$ 229,978	\$ 53,788	\$ -	\$ -	\$ -	\$ -	\$ 16,437	\$ 300,203
	2013	\$ 204,775	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,807	\$ 219,582

\* Assumed role as CFO on October 1, 2015.

(1) These columns represent the grant date fair value of the awards as calculated in accordance with FASB ASC 718 (Stock Compensation). Pursuant to SEC rule changes effective February 28, 2010, we are required to reflect the total grant date fair values of the option grants in the year of grant, rather than the portion of this amount that was recognized for financial statement reporting purposes in a given fiscal year which was required under the prior SEC rules, resulting in a change to the amounts reported in prior Annual Reports.

(2) On October 14, 2015, a total of 65,000 options were granted to Mr. Ewers with a fair value of \$1.087 per option.



(3) The amounts for 2015 include compensation under the following plans and programs:

	<b>R.L.</b>	<b>J.R.</b>	<b>J.J.</b>	<b>A.</b>	<b>J.D.</b>	<b>M.</b>
	<b>Gershon</b>	<b>Saron</b>	<b>McCarthy</b>	<b>Makrides</b>	<b>Ewers</b>	<b>Citronowicz</b>
Car Allowance	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 3,577	\$ 6,000
Life insurance premiums	512	512	512	512	512	512
Health insurance premiums	17,064	10,828	17,064	9,125	-	10,828
Employer 401(k) contribution	6,625	7,043	6,346	2,984	4,096	4,726
Travel Allowance	-	-	-	-	24,000	-
<b>Total</b>	<b>\$ 30,201</b>	<b>\$ 24,383</b>	<b>\$ 29,922</b>	<b>\$ 18,621</b>	<b>\$ 32,185</b>	<b>\$ 22,066</b>

Amounts in the table above are pro-rated where applicable.

#### Employment Agreements and Potential Payments Upon Termination or Change in Control

At June 5, 2016, we were obligated under six employment agreements:

<b>Name</b>	<b>Contract Expiration Date</b>
Robert L. Gershon	N/A <sup>(1)</sup>
J. Robert Saron	December, 2016
Moshe Citronowicz	December, 2016
Andrew Makrides	December, 2016
John J. McCarthy	N/A <sup>(1)</sup>
Jay D. Ewers	N/A <sup>(1)</sup>

(1) Employment contracts were revised to remove a date certain for the conclusion of such term and provide for the Executives to remain employed by the Company until such time as their employment is terminated pursuant to the terms of their Employment Agreement.

Approximate future minimum payments under these agreements are as follows as of December 31, 2015 (in thousands):

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2016	\$	1,591
Total	\$	1,591

Employment contracts, other than for Messrs. Gershon, Ewers, and McCarthy contain an automatic extension for a period of one year after the initial term unless we provide the executives with appropriate 60 days written notice pursuant to the contracts. The employment agreements provide, among other things, that the executive may be terminated as follows:

- (a) Upon the death of the executive, in which case the executive's estate shall be paid the basic annual compensation due the employee pro-rated through the date of death.
  
- (b) By the resignation of the executive at any time upon at least thirty (30) days prior written notice to Bovie in which case Bovie shall be obligated to pay the employee the basic annual compensation due him pro-rated to the effective date of termination.

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- (c) By Bovie, "for cause" if during the term of the employment agreement the employee violates the non-competition provisions of his employment agreement, or is found guilty in a court of law of any crime of moral turpitude in which case the contract would be terminated and provisions for future compensation forfeited.
- (d) By Bovie, without cause, with the majority approval of the Board of Directors, for Mr. Makrides, Mr. Gershon, Mr. Saron, Mr. McCarthy, Mr. Ewers, and Mr. Citronowicz at any time upon at least thirty (30) days prior written notice to the executive. In this case Bovie shall be obligated to pay the executive compensation in effect at such time, including all bonuses, accrued or prorated, and expenses up to the date of termination. Thereafter for Messrs. Makrides, Saron, and Citronowicz, Bovie shall pay the executive three times the salary in effect at the time of termination payable in one lump sum. Thereafter for Messrs. Gershon, Ewers and McCarthy, Bovie shall pay the executive their monthly base salary and one-twelfth of the Target Bonus, and reimbursement of the cost to the Executive for COBRA premiums for the 12-month period following the date of termination.
- (e) If Bovie fails to meet its obligations to the executive on a timely basis, or if there is a change in the control of Bovie, the executive may elect to terminate his employment agreement. Upon any such termination or breach of any of its obligations under the employment agreement, Bovie shall pay Mr. Makrides, Mr. Saron and Mr. Citronowicz a lump sum severance equal to three times the annual salary and bonus in effect the month preceding such termination or breach as well as any other sums which may be due under the terms of the employment agreement up to the date of termination. Mr. Gershon, Mr. Ewers and Mr. McCarthy shall be paid two times their annual salary and bonus in effect the month preceding such termination or breach as well as any other sums which may be due under the terms of their respective employment agreement up to the date of termination.

There are no other employment contracts that have non-cancelable terms in excess of one year.

**Grants of Equity Based Awards**

Name (a)	Grant Date (b)	All other Option Awards:		Grant Date Fair Value of Stock and Option Awards (\$) (e)
		Number of Securities Underlying Options (c)	Exercise or Base Price of Option Awards (\$/Sh) *** (d)	
Jay D. Ewers	10/14/2015	65,000	\$ 2.13	\$ 70,655

**Outstanding Equity Awards**

The following table presents information with respect to each unexercised stock option held by our Named Executive Officers as of December 31, 2015:

Name	# of Securities Underlying Unexercised Options (# Exercisable)	# of Securities Underlying Unexercised Options (# Unexercisable)	Option Exercise Price (\$/Sh)	Option Expiration 10 Years After Grant Date
Andrew Makrides	18,000	12,000	\$ 2.54	7/12/2022
J. Robert Saron	18,000	12,000	\$ 2.54	7/12/2022

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Moshe Citronowicz	18,000	12,000	\$	2.54	7/12/2022
Robert L. Gershon	375,000	375,000	\$	2.09	12/13/2023
John J. McCarthy	53,250	159,750	\$	3.90	3/31/2024
Jay D. Ewers	8,750	26,250	\$	3.63	6/30/2024
Jay D. Ewers	-	65,000	\$	2.13	10/13/2025

**Compensation of Non-Employee Directors**

The following is a table showing the director compensation for the year ended December 31, 2015:

<b>Name</b>	<b>Fees Earned Or Paid In Cash (\$)</b>	<b>Stock Awards(\$)</b>	<b>Option Awards ***(\$)</b>	<b>Non-Equity Incentive Plan Compensation(\$)</b>	<b>Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)</b>	<b>All Other Compensation(\$)</b>	<b>Total(\$)</b>
<b>(a)</b>	<b>(b)</b>	<b>(c)</b>	<b>(d)</b>	<b>(e)</b>	<b>(f)</b>	<b>(g)</b>	<b>(h)</b>
Lawrence Waldman	\$ 70,000	-	\$ 14,675	(1) \$	- \$	- \$	\$ 84,675
Charles Orsatti	\$ 48,750	-	\$ 161,175	(2) \$	- \$	- \$	\$ 209,925
Michael Geraghty	\$ 27,500	-	\$ 14,675	(3) \$	- \$	- \$	\$ 42,175
John Andres	\$ 39,000	-	\$ 14,675	(4) \$	- \$	- \$	\$ 53,675

\*\*\* These columns represent the grant date fair value of the awards as calculated in accordance with FASB ASC 718 (Stock Compensation).

- (1) On July 16, 2015, 12,500 ten year stock options with an exercise price of \$2.30 and calculated option fair value of \$1.174 were granted to Mr. Waldman
- (2) On May 6, 2015 100,000 ten year stock options with an exercise price of \$2.87 and calculated option fair value of \$1.465, and on July 16, 2015, 12,500 ten year stock options with an exercise price of \$2.30 and calculated option fair value of \$1.174 were granted to Mr. Orsatti
- (3) On July 16, 2015, 12,500 ten year stock options with an exercise price of \$2.30 and calculated option fair value of \$1.174 were granted to Mr. Geraghty
- (4) On July 16, 2015, 12,500 ten year stock options with an exercise price of \$2.30 and calculated option fair value of \$1.174 were granted to Mr. Andres

Directors' compensation is determined by the Board of Directors based upon recommendations from the Compensation Committee. A Board member's service year begins upon stockholders approval at the annual meeting and continues until the next annual meeting. The Board periodically grants directors stock options in order to assure that they have proper incentives and an opportunity for an ownership interest in common with other stockholders. In 2011, the Board decided to add cash payments as a compensation method.

Our Board of Directors presently consists of Robert Gershon, J. Robert Saron, Andrew Makrides, Charles Orsatti, Lawrence J. Waldman, John Andres, and Michael Geraghty.



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In 2003, the Board of Directors adopted and stockholders approved Bovie's 2003 Executive and Employee Stock Option Plan covering a total of 1,200,000 shares of common stock issuable upon exercise of options to be granted under the Plan. In 2001, the Board of Directors adopted the 2001 Executive and Employee Stock Option Plan which reserved for issuance 1,200,000 stock options.

On October 30, 2007, stockholders approved and the Board of Directors adopted an amendment to the 2003 Executive and Employee Stock Option Plan to increase the maximum aggregate number of shares of common stock reserved for issuance under the 2003 Plan from 1.2 million shares (already reserved against outstanding options) to 1.7 million shares, or an increase of 500,000 shares of common stock for future issuance pursuant to the terms of the plan. Except for the increase in the number of shares covered by the plan, the plan remains otherwise unchanged from its present status. In 2011, the Board of Directors granted 25,000 options to purchase a like number of shares of common stock.

In July of 2012, the stockholders approved the 2012 Executive and Employee Stock Option Plan covering a total of 750,000 shares of common stock issuable upon exercise of options to be granted under the plan. At December 31, 2014 approximately 290,333 remain to be issued in this plan.

In July of 2015 the stockholders approved the 2015 Executive and Employee Stock Option Plan covering a total of 2,000,000 shares of common stock issuable upon exercise of options to be granted under the plan. At December 31, 2015 approximately 1,479,078 remain to be issued in this plan.

There have been no changes in the pricing of any options previously or currently awarded.

#### **Compensation Committee Interlocks and Insider Participation**

The Compensation Committee of the Board of Directors is responsible for determining the compensation of executive officers of the Company, as well as compensation awarded pursuant to the Company's equity incentive plans.

Our Compensation Committee currently consists of three independent members of the Board of Directors, Charles T. Orsatti who serves as Chairman, John Andres, and Lawrence J. Waldman, CPA.

No member of the Compensation Committee is or has been an officer or employee of the Company or any of its subsidiaries. In addition, no member of the Compensation Committee had any relationships with the Company or any other entity that require disclosure under the proxy rules and regulations promulgated by the SEC.

#### **COMPENSATION COMMITTEE REPORT**

Our Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis contained herein with management. Based on our Compensation Committee's review of and the discussions with management with respect to the Compensation Discussion and Analysis, our Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement and in our Annual Report on Form 10-K for the fiscal year ended December 31, 2015 for filing with the SEC. During the

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majority of 2015, our Compensation Committee consisted of three independent members of the Board of Directors, Charles Orsatti, who serves as Chairman, John Andres, and Lawrence J. Waldman.

The Compensation Committee

Charles T. Orsatti, Chairman

John Andres

Lawrence J. Waldman

**The foregoing Compensation Committee Report shall not be deemed incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, and shall not otherwise be deemed filed under these acts, except to the extent we specifically incorporate by reference into such filings.**

## SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

## Security Ownership of Certain Beneficial Owners

The following table sets forth certain information as of June 2, 2016, with respect to the beneficial ownership of the Company's common stock by its executive officers, directors, director nominees and all persons known by the Company to be the beneficial owners of more than 5% of its outstanding shares and by all officers and directors as a group.

Name and Address	Number of Shares		Nature of Ownership	Percentage of Ownership (i)
	Title	Owned (i)		
Petercam (Luxembourg) S.A. Rue Pierre d'Aspelt 1a L-1142 Luxembourg	Common	2,015,000(xv)	Beneficial	7.4%
RENN Universal Growth Investment Trust Frost National Bank 8201 Preston Road, Ste 540 Dallas, TX 75206	Common	1,500,000(xiii)	Beneficial	5.5%
Great Point Partners, LLC 165 Mason Street 3rd Floor Greenwich, CT 06830	Common	2,719,266(xiv)	Beneficial	9.985%
Andrew Makrides 5115 Ulmerton Rd. Clearwater, FL 33760	Common	629,972(ii)	Beneficial	2.3%
Robert L. Gershon 5115 Ulmerton Rd. Clearwater, FL 33760	Common	405,000(iii)	Beneficial	1.5%
J. Robert Saron 5115 Ulmerton Rd. Clearwater, FL 33760	Common	423,940(iv)	Beneficial	1.6%
Moshe Citronowicz 5115 Ulmerton Rd. Clearwater, FL 33760	Common	444,504(v)	Beneficial	1.6%
John Andres 5115 Ulmerton Rd. Clearwater, FL 33760	Common	3,333(vi)	Beneficial	0.0%

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Charles Orsatti 5115 Ulmerton Rd. Clearwater, FL 33760	Common	25,000(vii)	Beneficial	0.1%
Jay D. Ewers 5115 Ulmerton Rd. Clearwater, FL 33760	Common	8,750(viii)	Beneficial	0.0%
John J. McCarthy 5115 Ulmerton Rd. Clearwater, FL 33760	Common	78,250(ix)	Beneficial	0.3%
Michael E. Geraghty 5115 Ulmerton Rd. Clearwater, FL 33760	Common	24,286(x)	Beneficial	0.1%
Lawrence Waldman 5115 Ulmerton Rd. Clearwater, FL 33760	Common	64,953(xi)	Beneficial	0.2%
Officers and Directors as a group (10 persons)		2,107,988(xii)		7.6%

- (i) Based on 27,194,251 outstanding shares of Common Stock and 3,131,447 outstanding options to acquire a like number of shares of Common Stock as of February 18, 2016, of which officers and directors owned a total of 583,572 options and 1,499,416 shares at February 18, 2016. We have calculated the percentage on the basis of the amount of outstanding securities plus, for each person or group, any securities that person or group has current or future right to acquire pursuant to options, warrants, conversion privileges or other rights.

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- (ii) Includes 611,972 shares and 18,000 vested options out of a total of 30,000 ten year options owned by Mr. Makrides to purchase shares of Common Stock of the Company at an exercise price of \$2.54. These options vest equally over a four year period.
- (iii) Includes 30,000 shares and 375,000 vested options out of a total of 825,000 ten year options owned by Mr. Gershon to purchase shares of Common Stock of the Company. Exercise prices for his options range from \$2.09 for 375,000 shares to \$1.80 for 75,000 shares. These options vest equally over a four year period.
- (iv) Includes 405,940 shares and 18,000 vested options out of a total of 67,000 ten year options owned by Mr. Saron to purchase shares of Common Stock of the Company. Exercise prices for his options range from \$2.54 for 30,000 shares to \$1.80 for 37,000 shares. These options vest equally over a four year period.
- (v) Includes 426,504 shares and 18,000 vested options out of a total of 67,000 ten year options owned by Mr. Citronowicz to purchase shares of Common Stock of the Company. Exercise prices for his options range from \$2.54 for 30,000 shares to \$1.80 for 37,000 shares. These options vest equally over a four year period.
- (vi) Includes 3,333 vested options out of a total of 22,500 ten year options owned by Mr. Andres to purchase shares of Common Stock of the Company. Exercise prices for his options range from \$2.30 for 12,500 shares to \$3.81 for 10,000 shares.
- (vii) Includes 25,000 vested options out of a total of 112,500 ten year options owned by Mr. Orsatti to purchase shares of Common Stock of the Company. Exercise prices for his options range from \$2.30 for 12,500 shares to \$2.87 for 100,000 shares.
- (viii) Includes 8,750 vested options out of a total of 100,000 ten year options owned by Mr. Ewers to purchase shares of Common Stock of the Company. Exercise prices for his options range from \$2.13 for 65,000 shares to \$3.63 for 35,000 shares.
- (ix) Includes 25,000 shares and 53,250 vested options out of a total of 250,000 ten year options owned by Mr. McCarthy to purchase shares of Common Stock of the Company. Exercise prices for his options range from \$3.90 per share for 213,000 shares to \$1.80 for 37,000 shares. These options vest equally over a four year period.
- (x) Includes 24,286 vested options out of a total of 50,000 ten year options owned by Mr. Geraghty to purchase shares of Common Stock of the Company. Exercise prices for his options range from \$2.30 for 12,500 shares to \$2.97 for 10,000 shares.
- (xi) Includes 64,953 vested options out of a total of 101,000 ten year options owned by Mr. Waldman to purchase shares of Common Stock of the Company. Exercise prices for his options range from \$2.20 for 25,000 shares to \$2.97 for 12,000 shares.
- (xii) Includes 608,572 vested ten year options out of a total of 1,612,500 ten year outstanding options and 1,499,416 shares owned by all Executive Officers and directors as a group. The last date options can be exercised is March 15, 2026.
- (xiii) RENN Capital Group, Inc. ("RENN") is the investment advisor to RENN Universal Growth Investment Trust ("RUGIT"), RENN Capital Group, Inc. ("RENN") and RENN Fund, Inc. ("RENN Fund"), and has shared voting power over these shares. The shares of common stock are owned of record as follows: RENN - 155,000; RENN Fund - 700,000; Cleveland Family Limited Partnership - 600,000 Russell Cleveland - 45,000. Russell Cleveland is the President of each of RENN and RENN Fund, and is a limited partner in the Partnership and may be deemed to be the beneficial owner of the shares of common stock. Mr. Cleveland disclaims any such beneficial ownership.

- (xiv) Consists of (i) 2,680,000 shares of Common Stock owned collectively by Biomedical Value Fund, LP ("BVF"), Biomedical Offshore Value Fund, Ltd. ("BOVF"), Biomedical Institutional Value Fund, LP ("BIVF"), Class D Series of GEF-PS, LP ("GEF-PS"), and WS Investments, II, LLC ("WS"), and (ii) 39,266 shares issuable upon conversion of Series B preferred stock collectively owned by each of BVM, BOVF, BIVF, GEF-PS, and WS. Does not include: Series B preferred stock convertible into 3,912,012 shares, collectively owned by each of BVF, BOVF, BIVF, GEF-PS, and WS. The provisions of such preferred stock restrict the conversion of such preferred stock to the extent that, after giving effect to such conversion, the holder of the preferred stock and its affiliates and any other person or entities with which such holder would constitute a group would beneficially own in excess of 9.985% of the number of shares of Common Stock of the Issuer outstanding immediately after giving effect to such conversion or exercise (the "Ownership Cap"). Therefore, the reporting persons could be deemed to beneficially own such number of shares underlying such preferred stock as would result in total beneficial ownership by such reporting persons up to the Ownership Cap.
- (xv) Petercam acts as investment manager with respect to, and exercises investment discretion with respect to the Common Stock directly owned by, a number of private investment funds, including Horizon L, a Luxembourg corporation.

### **SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Securities Exchange Act of 1934 requires our officers and directors, and persons who own more than ten percent of a registered class of our equity securities, to file reports of ownership and changes in ownership with the Securities and Exchange Commission. Officers, directors and greater than ten-percent shareholders (the "Reporting Persons") are required by SEC regulation to furnish us with copies of all Section 16(a) forms they file.

To the Company's knowledge, based solely on its review of the copies of such reports received or written representations from certain Reporting Persons that no other reports were required, the Company believes that during its fiscal year ended December 31, 2015 all filing requirements applicable to the Reporting Persons were timely met.

### **CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**

Our policy is that employees, non-employees, and third parties must obtain authorization from the appropriate department executive manager, for any business relationship or proposed business transaction in which they or an immediate family member has a direct or indirect interest, or from which they or an immediate family member may derive a personal benefit (a "related party transaction"). The maximum dollar amount of related party transactions that may be approved as described above in this paragraph in any calendar year is \$120,000. Any related party transactions that would bring the total value of such transactions to greater than \$120,000 must be referred to the Audit Committee to determine the procedure for approval, and then have the recommendations presented to the Board of Directors for approval.

Several relatives of Nikolay Shilev, Bovie Bulgaria's Managing Director, are considered related parties. Teodora Shileva, Mr. Shilev's spouse is an employee of the company working in the Accounting department. Antoaneta Dimitrova Shileva-Toromanova, Mr. Shilev's sister is the Manager of Production and Human Resources. Svetoslav Shilev, Mr. Shilev's son is an Engineer in the Quality Assurance department.

A relative of Moshe Citronowicz, Bovie's Senior Vice President, is considered a related party. Arik Zoran is a consultant of the Company doing business as AR Logic, Inc., a consulting firm owned by Arik Zoran, Mr. Citronowicz's brother. On March 1, 2013 the Company amended the Consulting Services Agreement dated January 2011, extending the term of the existing agreement until December 31, 2014. The agreement shall automatically renew for additional one year periods, unless either party gives written notice of its desire not to renew at least one year prior to the expiration of the initial Term or renewal term. The agreement with AR Logic provides for a monthly retainer for engineering support for our existing generator product line and a separate hourly based fee structure for additional consulting related to new product lines. AR Logic has a royalty contract with us related to the creation and design of proprietary technology that is used in some of our generators. AR Logic was paid consulting fees of approximately \$259,200, \$252,000, and \$266,600 during 2015, 2014, and 2013, respectively.

A second relative of Mr. Citronowicz is considered a related party. Yechiel Tsitrinovich is also a brother of Mr. Citronowicz, and acts as a consultant to the Company related to research and development of certain products. Mr. Tsitrinovich has a royalty contract with us related to the creation and design of a proprietary technology that is used in some of our generators. Mr. Tsitrinovich was paid a combination of consulting fees and royalties on previous product designs approximating \$67,575, \$72,412, and \$72,890 for 2015, 2014, and 2013, respectively.



**Independent Board Members**

The Board currently has four independent members, Charles Orsatti, John Andres, Michael Geraghty, and Lawrence J. Waldman who meet the existing independence requirements of the NYSE MKT Market and the Securities and Exchange Commission.

**PROPOSAL TWO****RATIFICATION OF AUDITORS**

Frazier & Deeter, LLC ("F&D") has acted as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2015. Representatives of F&D are expected to be available at the meeting to respond to appropriate questions and will be given the opportunity to make a statement if they desire to do so. Neither the Company's bylaws nor the governing documents or law require stockholder ratification of the selection of F&D as the Company's independent registered public accounting firm. However, this proposal is being submitted to the stockholders as a matter of good corporate practice. If the stockholders do not ratify F&D, the appointment of another firm of independent certified public accountants may be considered by the Audit Committee. Even if F&D is ratified, the Audit Committee may, in its discretion, direct the appointment of a different independent registered public accounting firm at any time during the year if they determine that doing so is in the best interests of the Company and its stockholders.

**THE BOARD RECOMMENDS THAT YOU VOTE "FOR" RATIFICATION OF FRAZIER & DEETER, LLC AS THE COMPANY'S INDEPENDENT AUDITORS FOR FISCAL YEAR ENDING DECEMBER 31, 2016.**

The following table sets forth the aggregate fees billed to us for fiscal years ended December 31, 2015 and 2014 by our current accountants, Frazier & Deeter, LLC (in thousands):

	2015	2014
Audit fees (1)	\$ 141	\$ 110
Non-Audit fees:		
Audit related fees (2)	17	2
Tax fees (3)	-	-
All other fees (4)	-	-
Total fees billed	\$ 158	\$ 112

- (1) Audit fees consist of fees billed for professional services rendered for the audit of Bovie's annual financial statements and reviews of its interim consolidated financial statements included in quarterly reports and other services related to statutory and regulatory filings or engagements.
- (2) Audit related fees consist of fees billed for assurance and related services that are reasonably related to the performance of the audit or reviews of Bovie's consolidated financial statements and are not reported under "Audit Fees".
- (3) Tax fees consist of fees billed for professional services rendered for tax compliance and tax advice (domestic and international). These services include assistance regarding federal, state and international tax compliance, acquisitions and international tax planning.

(4) All other fees consist of fees for products and services other than the services reported above.

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## AUDIT COMMITTEE REPORT

Our Audit Committee is composed of "independent" directors, as determined in accordance with Rule 10A-3 of the Securities Exchange Act of 1934. The Audit Committee operates pursuant to a written charter adopted by the Board of Directors.

As described more fully in its charter, the purpose of the Audit Committee is to assist the Board of Directors with its oversight responsibilities regarding the integrity of our financial statements, our compliance with legal and regulatory requirements, assessing the independent registered public accounting firm's qualifications, independence and performance for us. Management is responsible for preparation, presentation and integrity of our financial statements as well as our financial reporting process, accounting policies, internal audit function, internal accounting controls and disclosure controls and procedures. The independent registered public accounting firm is responsible for performing an independent audit of our consolidated financial statements in accordance with generally accepted auditing standards and to issue a report thereon. The Audit Committee's responsibility is to monitor and oversee these processes. The following is the Audit Committee's report submitted to the Board of Directors for 2015.

As part of its oversight of the Company's financial statements, the Audit Committee reviews and discusses with both management and the Company's independent registered public accountants all annual and quarterly financial statements prior to their issuance. During fiscal 2015, management advised the Audit Committee that each set of financial statements reviewed had been prepared in accordance with generally accepted accounting principles, and management reviewed significant accounting and disclosure issues with the Audit Committee.

The Audit Committee recognizes the importance of maintaining the independence of the Company's Independent Auditor, both in fact and appearance. Each year, the Committee evaluates the qualifications, performance and independence of the Company's Independent Auditor and determines whether to re-engage the current Independent Auditor. Based on this evaluation, the Audit Committee has retained Frazier and Deeter, LLC as the Company's Independent Auditor for 2016. Although the Audit Committee has the sole authority to appoint the Independent Auditors, the Audit Committee will continue to recommend that the Board ask the shareholders, at the Annual Meeting, to ratify the appointment of the Independent Auditors.

The Committee reviewed with the independent auditor, which is responsible for expressing an opinion on the conformity of those audited financial statements and related schedules with US generally accepted accounting principles, its judgments as to the quality, not just the acceptability, of the Company's accounting principles and such other matters as are required to be discussed with the Committee by the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), including PCAOB Auditing Standard No. 16, Communications with Audit Committees, the rules of the Securities and Exchange Commission, and other applicable regulations. In addition, the Committee has discussed with the Independent Auditor the firm's independence from Company management and the Company, including the matters in the letter from the firm required by PCAOB Rule 3526, Communication with Audit Committees Concerning Independence, and considered the compatibility of non-audit services with the independent auditor's independence.

In addition, the Audit Committee has met separately in executive session with management and with Frazier & Deeter, LLC.

Based on the review and discussions referred to above, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in our Annual Report on Form 10-K for the year ended December 31, 2015 for filing with the Securities and Exchange Commission.

The Audit Committee

Lawrence J. Waldman, Audit Committee Chair

Charles T. Orsatti, Audit Committee Member

John C. Andres, Audit Committee Member

June 10, 2016

**The foregoing Audit Committee Report shall not be deemed incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, and shall not otherwise be deemed filed under these acts, except to the extent we specifically incorporate by reference into such filings.**

**PROPOSAL THREE**

**APPROVAL OF ADVISORY RESOLUTION**

**SUPPORTING THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS**

**General**

Pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), and Section 14A of the Securities Exchange Act of 1934, as amended, the Company is asking its stockholders to vote, on an advisory basis, to approve the compensation of its named executive officers as described in this Proxy Statement. This proposal, commonly known as a "say-on-pay" proposal, gives the Company's stockholders the opportunity to express their views on the compensation of the Company's Named Executive Officers. For purposes of this Proxy Statement, the following Company executives are referred to collectively as the "Named Executive Officers": Robert L. Gershon, Andrew Makrides, J. Robert Saron, John J. McCarthy, Moshe Citronowicz, and Jay D. Ewers. We are required to hold a vote regarding the frequency of future non-binding advisory votes relating to future named executive officer compensation once every six years. At our 2013 Annual Meeting of Stockholders, our Stockholders voted to hold an annual non-binding advisory vote relating to the frequency of future non-binding advisory votes on resolutions approving future named executive officers compensation.

**Compensation Program and Philosophy**

Our executive compensation program is designed to attract, reward and retain key employees, including our Named Executive Officers, who are critical to the Company's long-term success. Stockholders are urged to read the "Executive Compensation" section of this Proxy Statement for greater detail about the Company's executive compensation programs, including information about the fiscal year 2015 compensation of the Named Executive Officers.

The Company is asking the stockholders to indicate their support for the compensation of the Company's Named Executive Officers as described in this Proxy Statement by voting in favor of the following resolution:

**RESOLVED**, that the stockholders ratify and approve the compensation of the Named Executive Officers of Bovie Medical Corporation, as disclosed in the "Executive Compensation", the Summary Compensation Table and the related compensation tables, notes and narrative in the Proxy Statement for the Company's 2016 Annual Meeting of Stockholders.

Even though this say-on-pay vote is advisory and therefore will not be binding on the Company, the Compensation Committee and the Board of Directors value the opinions of the Company's stockholders. Accordingly, to the extent there is a significant vote against the compensation of the Named Executive Officers, the Board of Directors will consider stockholder concerns and the Compensation Committee will evaluate what actions, if any, may be necessary or appropriate to address those concerns. You may vote "for," "against," or "abstain" from the proposal to approve on an advisory basis the compensation of our Named Executive Officers.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR" SUPPORTING THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS.**

### **STOCKHOLDER PROPOSALS FOR NEXT ANNUAL MEETING**

Shareholder proposals intended to be considered for inclusion in the proxy statement for presentation at the Company's 2017 Annual Meeting of Stockholders must be received in writing at the Company's offices at 4 Manhattanville Road, Suite 106, Purchase, New York 10577, Attn: Corporate Secretary, no later than February 10, 2017, for inclusion in the Company's proxy statement and proxy card relating to such meeting. Such proposals must comply with applicable SEC rules and regulations.

In order for any proposal that is not submitted for inclusion in next year's proxy statement (as described in the preceding paragraph) to be presented directly at next year's annual meeting, we must receive written notice of the proposal in a timely manner. If such notice is received, proxies may be voted at the discretion of management if we advise stockholders in next year's proxy statement about the nature of the matter and how management intends to vote on such matter.

### **HOUSEHOLDING OF PROXY MATERIALS**

The Securities and Exchange Commission permits companies and intermediaries such as brokers to satisfy the delivery requirements for proxy materials with respect to two or more stockholders sharing the same address by delivering a single set of proxy materials addressed to those stockholders. This process, which is commonly referred to as "householding", potentially provides extra conveniences for stockholders and cost savings for companies.

Although we do not intend to household for our stockholders of record, some brokers household our proxy materials, delivering a single set of proxy materials to multiple stockholders sharing an address unless contrary instructions have been received from the affected stockholders. Once you have received notice from your broker that they will be householding materials to your address, householding will continue until you are notified otherwise or until you revoke your consent. If, at any time, you no longer wish to participate in householding and would prefer to receive a separate set of proxy materials, or if you are receiving multiple sets of proxy materials and wish to receive only one, please notify your broker. Stockholders who currently receive multiple sets of the proxy materials at their address and would like to request "householding" of their communications should contact their broker.

### **OTHER MATTERS**

The Board of Directors is not aware of any other matter other than those set forth in this proxy statement that will be presented for action at the Annual Meeting. If other matters properly come before the Annual Meeting, the persons appointed as proxies intend to vote the shares they represent in accordance with their best judgment in the interest of the Company.

### **DOCUMENTS INCLUDED WITH THIS PROXY STATEMENT**



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WE ARE PROVIDING HEREWITH, A COPY OF THE COMPANY'S ANNUAL REPORT ON FORM 10-K, WITHOUT EXHIBITS, FOR THE YEAR ENDED DECEMBER 31, 2015, INCLUDING THE FINANCIAL STATEMENTS AND SCHEDULES FILED THEREWITH. IF ANY PERSON RECEIVES THIS PROXY MATERIALS WITHOUT THE FOREGOING DOCUMENTS, THE COMPANY UNDERTAKES TO PROVIDE, WITHOUT CHARGE, UPON A WRITTEN OR ORAL REQUEST OF SUCH PERSON AND BY FIRST CLASS MAIL OR OTHER EQUALLY PROMPT MEANS WITHIN ONE BUSINESS DAY OF RECEIPT OF SUCH REQUEST, A COPY OF THE COMPANY'S ANNUAL REPORT ON FORM 10-K FOR THE YEAR ENDED DECEMBER 31, 2015, INCLUDING THE FINANCIAL STATEMENTS AND SCHEDULES FILED THEREWITH. WRITTEN REQUESTS FOR SUCH REPORTS SHOULD BE ADDRESSED TO THE OFFICE OF THE SECRETARY, BOVIE MEDICAL CORPORATION, 4 Manhattanville Road, Suite 106, Purchase, New York 10577. THE COMPANY'S TELEPHONE NUMBER AT SUCH OFFICE IS (914) 468-4069.

**WHETHER OR NOT YOU INTEND TO BE PRESENT AT THE ANNUAL MEETING, PLEASE COMPLETE, SIGN, DATE AND RETURN THE ENCLOSED PROXY AT YOUR EARLIEST CONVENIENCE.**

**WHERE YOU CAN FIND MORE INFORMATION**

We are subject to the information and reporting requirements of the Securities Exchange Act of 1934 and in accordance with that act, we file periodic reports, documents and other information with the Securities and Exchange Commission relating to our business, financial statements and other matters. These reports and other information may be inspected and are available for copying at the offices of the Securities and Exchange Commission, 100 F. Street NE, Washington, DC 20549 or may be accessed at [www.sec.gov](http://www.sec.gov).

**By order of the Board of Directors**

Dated: June 10, 2016

By: */s/ Andrew Makrides*  
Andrew Makrides  
Chairman of the Board of Directors

**BOVIE MEDICAL CORPORATION**

**PROXY**

PROXY FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON JULY 28, 2016. THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned hereby acknowledges receipt of Notice of Annual Meeting of Stockholders and Proxy Statement of Bovie Medical Corporation in connection with the 2016 Annual Meeting to be held on July 28, 2016, and appoints Andrew Makrides and Robert L. Gershon, or either of them, proxy with power of substitution, for and in the name of the undersigned, and hereby authorizes each or either of them to represent and to vote, all the shares of common stock of Bovie Medical Corporation, a Delaware corporation ("Company"), that the undersigned would be entitled to vote at our Annual Meeting of Stockholders ("Annual Meeting") on July 28, 2016 and at any adjournments thereof, upon the matters set forth in the Notice of Annual Meeting, hereby revoking any proxy heretofore given. The proxy holder appointed hereby is further authorized to vote in his discretion upon such other business as may properly come before the Annual Meeting. This proxy will be voted as specified. **If no direction is made, this proxy will be voted in favor of all proposals.**

**THE BOARD RECOMMENDS A VOTE "FOR" EACH NOMINEE LISTED ON PROPOSAL 1, "FOR" PROPOSAL 2, and "FOR" PROPOSAL 3.**

**x Please mark your votes**

**as in this example using**

**dark ink only.**

1. The election of the following nominees to the Company's Board of Directors to serve until the 2017 Annual Meeting of Shareholders: Andrew Makrides, Robert L. Gershon, J. Robert Saron, Michael Geraghty, Charles T. Orsatti, Lawrence J. Waldman, John C. Andres, and Scott Davidson.

FOR " "   
all nominees   
(except as marked   
to the contrary below)   
WITHHOLD " "

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AUTHORITY TO VOTE FOR  
ALL  
NOMINEES LISTED ABOVE  
WITHHOLD AUTHORITY

FOR ALL		
EXCEPT	..	
Andrew Makrides		..
Robert L. Gershon		..
J. Robert Saron		..
Michael Geraghty		..
Charles T. Orsatti		..
Lawrence J. Waldman		..
John C. Andres		..
Scott Davidson		..

**INSTRUCTION: To withhold authority to vote for any individual nominee(s), mark "FOR ALL EXCEPT" and check the box next to each nominee you wish to withhold authority.**

Please see reverse for additional proposals

2. The ratification of Frazier & Deeter, LLC as the Company's independent public accountants for the year ending December 31, 2016.

FOR      AGAINST      ABSTAIN  
..                    ..                    ..

3. The approval of a non-binding advisory proposal approving a resolution supporting the compensation of named executive officers.

FOR      AGAINST      ABSTAIN  
..                    ..                    ..

In their discretion, the proxy holders are authorized to vote upon such other business as may properly come before the meeting or any adjournment thereof, all as set out in the Notice and Proxy Statement relating to the Annual Meeting, receipt of which are hereby acknowledged.

Please sign exactly as your name appears and return this proxy card immediately in the enclosed stamped self-addressed envelope.

Signature(s)  
Dated:

Signature

NOTE: Please mark, date and sign exactly as name(s) appear on this proxy and return the proxy card promptly using the enclosed envelope. If the signer is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. Executors, administrators, attorneys, trustees, or guardians should state full title or capacity. Joint owners should each sign. If signer is a partnership, please sign in partnership name by authorized person.