MISONIX INC
Form DEF 14A
November 10, 2005
SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934
(Amendment No.)

Filed by the Registrant [**X**]

Filed by a Party other than the Registrant [ ]
Check the appropriate box:

[ ] Preliminary Proxy Statement

[ ] Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

[**X**] Definitive Proxy Statement

[ ] Definitive Additional Materials

[ ] Soliciting Material Pursuant to §240.14a-12

MISONIX, INC.
(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

[**X**] No fee required.

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

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

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2) Aggregate number 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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5) Total fee paid:

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[ ] Fee paid previously with preliminary materials.

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

1) Amount Previously Paid:

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2) Form, Schedule or Registration Statement No.:

____

3) Filing Party:

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4) Date Filed:

____

MISONIX, INC.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Wednesday, December 14, 2005

To the Shareholders of
MISONIX, INC.:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders (the "Annual Meeting") of MISONIX, INC., a New York corporation (the "Company"), will be held at the Huntington Hilton Hotel, 598 Broad Hollow Road, Melville, New York 11747 on Wednesday, December 14, 2005 at 10:00 a.m., or at any adjournment thereof, for the following purposes:

1. To elect six Directors to the Board of Directors;
2. To consider and vote upon approval of the 2005 Employee Equity Incentive Plan covering an aggregate of 500,000 shares of the Company's common stock, par value $.01 per share ("Common Stock");
3. To consider and vote upon approval of the 2005 Non-Employee Director Stock Option Plan covering an aggregate of 200,000 shares of Common Stock; and
4. To consider and act upon such other business as may properly come before the Annual Meeting or any adjournment thereof.

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

Only shareholders of record on the books of the Company at the close of business on November 7, 2005 will be entitled to vote at the Annual Meeting or at any adjournment thereof. You are requested to sign, date and return the enclosed Proxy at your earliest convenience in order that your shares may be voted for you as specified.

By Order of the Board of Directors,
RICHARD ZAREMBA
Secretary

MISONIX, INC.
1938 New Highway
Farmingdale, New York 11735

PROXY STATEMENT

ANNUAL MEETING OF SHAREHOLDERS
Wednesday, December 14, 2005

The Annual Meeting of Shareholders (the "Annual Meeting") of MISONIX, INC. (the "Company") will be held on Wednesday, December 14, 2005, at the Huntington Hilton Hotel, 598 Broad Hollow Road, Melville, New York 11747 at 10:00 a.m. for the purposes set forth in the accompanying Notice of Annual Meeting of Shareholders. **The enclosed Proxy is solicited by and on behalf of the Board of Directors of the Company ("Board of Directors" or "Board") for use at the Annual Meeting to be held on Wednesday, December 14, 2005 and at any adjournments of such Meeting.** The approximate date on which this Proxy Statement and the enclosed Proxy are being first mailed to shareholders is November 14, 2005.

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

Voting Rights

On November 7, 2005 (the "Record Date"), the Company had outstanding 6,847,519 shares of its only class of voting securities, namely common stock, $.01 par value per share (the "Common Stock"). Shareholders are entitled to one vote for each share registered in their names at the close of business on the Record Date. The affirmative vote of a plurality of the votes cast at the Annual Meeting is required for the election of Directors; the affirmative vote of a majority of the votes cast at the Annual Meeting is required for the approval of the 2005 Employee Equity Incentive Plan and for the approval of the 2005 Non-Employee Director Stock Option Plan; on all other matters which may come before the Annual Meeting, the affirmative vote of a majority of the votes cast at the Annual Meeting is required. For purposes of determining whether proposals have received a majority vote, abstentions will not be included in the vote totals and, in instances where brokers are prohibited from exercising discretionary authority for beneficial owners who have not returned a Proxy ("broker non-votes"), those votes will not be included in the vote totals. Therefore, abstentions and broker non-votes will be counted in the determination of a quorum and will have no effect on the vote for the election of Directors, approval of the 2005 Employee Equity Incentive Plan or approval of the 2005 Non-Employee Director Stock Option Plan. Unless contrary instructions are given, all Proxies received pursuant to this solicitation will be voted in favor of the election of the nominees named in Proposal One and in favor of adoption of the 2005 Employee Equity Incentive Plan and adoption of the 2005 Non-Employee Director Stock Option Plan.

SECURITY OWNERSHIP

The following table sets forth as of November 7, 2005, certain information with regard to the ownership of the Company's Common Stock by (i) each beneficial owner of more than 5% of the Company's Common Stock; (ii) each Director and nominee for Director; (iii) each executive officer named in the "Summary Compensation Table" below; and (iv) all executive officers and Directors of the Company as a group. Unless otherwise stated, the persons named in the table have sole voting and investment power with respect to all Common Stock shown as beneficially owned by them.

Name and Address[(1)]	Common Stock Beneficially Owned	Percent of Class
Michael A. McManus, Jr.	1,162,751[(2)]	14.8%
Gary Gelman	549,650	8.0%
Howard Alliger	513,108[(3)]	7.4%
Bonanza Capital, Ltd.	365,000[(4)]	5.4%
Ronald Manna	115,394[(5)]	1.7%
Richard Zaremba.	81,500[(6)]	1.2%
Kenneth Coviello.	84,200[(7)]	*
T. Guy Minetti.	52,000[(8)]	*
Thomas F. O'Neill	52,000[(9)]	*
Daniel Voic	43,700[(10)]	*
W. Paul Constantine	0	*
John W. Gildea	15,000[(11)]	*
Dr. Charles Miner III	15,000[(12)]	*
All executive officers and Directors as a group (eleven people)	2,134,653[(13)]	25.4%[(14)]

*Less than 1%

[(1)] Except as otherwise stated, the business address of each of the named individuals in this table is c/o MISONIX, INC., 1938 New Highway, Farmingdale, New York 11735.

[(2)] Includes 1,007,500 shares of Common Stock which Mr. McManus has the right to acquire upon exercise of stock options which are currently exercisable.

[(3)] Includes 122,500 shares of Common Stock which Mr. Alliger has the right to acquire upon exercise of stock options which are currently exercisable.

[(4)] Bonanza Capital, Ltd., a Texas partnership with offices at 300 Crescent Court, Suite 1740, Dallas, Texas 75201, shares beneficial ownership of the listed shares with Bonanza Master Fund, Ltd., a Cayman Islands company.

[(5)] Includes 91,500 shares of Common Stock which Mr. Manna has the right to acquire upon exercise of stock options which are currently exercisable.

[(6)] Includes 78,000 shares of Common Stock which Mr. Zaremba has the right to acquire upon exercise of stock options which are currently exercisable.

[(7)] Includes 82,000 shares of Common Stock which Mr. Coviello has the right to acquire upon exercise of stock options which are currently exercisable.

[(8)] Includes 45,000 shares of Common Stock which Mr. Minetti has the right to acquire upon exercise of stock options which are currently exercisable.

(9) Includes 45,000 shares of Common Stock which Mr. O'Neill has the right to acquire upon exercise of stock options which are currently exercisable.

(10) Includes 43,700 shares of Common Stock which Mr. Voic has the right to acquire upon exercise of stock options which are currently exercisable.

(11) Includes 15,000 shares of Common Stock which Mr. Gildea has the right to acquire upon exercise of stock options which are currently exercisable.

(12) Includes 15,000 shares of Common Stock which Dr. Miner has the right to acquire upon exercise of stock options which are currently exercisable.

(13) Includes the shares of Common Stock indicated in notes (2), (3), (5), (6), (7), (8), (9), (10), (11) and (12).

(14) Based upon 6,847,519 outstanding shares of Common Stock and presently exercisable options to acquire 1,545,200 shares of Common Stock held by the persons noted.

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PROPOSAL ONE

ELECTION OF DIRECTORS

Six Directors are to be elected at the Annual Meeting. The term of each Director expires at the Annual Meeting, with Messrs. Alliger, Minetti, O'Neill, Gildea, Miner and McManus standing for reelection for a term of one year. The following table contains information regarding all Directors and executive officers of the Company:

Name	Age	Position with Company	Director Since
Howard Alliger	78	Director	1971
T. Guy Minetti	54	Director	2003
Thomas F. O'Neill	59	Director	2003
John W. Gildea	62	Director	2005
Dr. Charles Miner III	54	Director	2005
Michael A. McManus, Jr.	62	Director, President and Chief Executive Officer	1998
Richard Zaremba	50	Senior Vice President, Chief Financial Officer, Secretary and Treasurer	—
Kenneth Coviello	53	Senior Vice President, Medical Marketing and Sales	—
Daniel Voic .	43	Vice President of R&D and Engineering	—
W. Paul Constantine	34	Senior Vice President — Strategic Planning and New Product Development	—
Ronald Manna .	51	Vice President — Regulatory Affairs	—

Principal Occupations and Business Experience of Directors and Executive Officers

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

Howard Alliger founded the Company's predecessor in 1955 and the Company was a sole proprietorship until 1960. The Company name then was Heat Systems-Ultrasonics. Mr. Alliger was President of the Company until 1982 and Chairman of the Board until 1996. He has been awarded 25 patents and has published various papers on ultrasonic technology. In 1959, Mr. Alliger sold the first sonicator in the United States. For three years, ending in 1991, Mr. Alliger was the President of the Ultrasonic Industry Association. Mr. Alliger holds a BA degree in economics from Allegheny College and attended Cornell University School of Engineering for four years. He has also established, and is President of, two privately-held entities which are engaged in pharmaceutical research and development.

T. Guy Minetti currently serves as the Vice Chairman of the Board of Directors of 1-800-Flowers.Com, Inc., a publicly-held specialty gift retailer based in Westbury, New York. Before joining 1-800-Flowers.Com, Inc. in September 2000, Mr. Minetti was the Managing Director of Bayberry Advisors, an investment banking boutique he founded in 1989 to provide corporate finance advisory services to small-to-medium-sized businesses. From 1981 through 1989, Mr. Minetti was a Managing Director of the investment banking firm, Kidder, Peabody & Company. While at Kidder, Peabody, Mr. Minetti worked in the investment banking and high yield bond departments.

Thomas F. O'Neill has been a principal of Sandler O'Neil & Partners L.P., an investment banking firm, since founding such firm in 1988. From 1985 through 1988, Mr. O'Neill was a Managing Director of Bear Stearns & Co., Inc. From 1972 through 1985, Mr. O'Neill was employed by L.F. Rothschild. Mr. O'Neill serves on the Board of Directors of Archer-Daniels-Midland Company and The Nasdaq Stock Market, Inc. Mr. O'Neill is a graduate of New York University and a veteran of the United States Air Force.

John W. Gildea is the founding principal of Gildea Management Co. ("Gildea Management"), a management company of special situations with middle market companies in the United States and Central Europe. From 2000 to 2005 Gildea Management formed a joint venture with F.O. Hambro Capital Management Co. to manage accounts targeting high yield debt and small capitalization equities. From

1996 to 2000 Gildea Management formed and founded Latona Europe, a joint venture between Latona U.S., Lazard Co., and Gildea Management to restructure several Czech Republic companies. Before forming Gildea Management in 1990, Mr. Gildea managed the Corporate Series Group at Donaldson, Lufkin and Jenrette, an investment banking firm. Mr. Gildea is a graduate of the University of Pittsburgh.

Dr. Charles Miner III currently practices internal medicine in Darien, Connecticut. Dr. Miner is on staff at Stamford and Norwalk Hospitals and is an instructor in clinical medicine at Columbia University College of Physicians and Surgeons. Dr. Miner received his M.D. from the University of Cincinnati College of Medicine in 1979 and received a Bachelor of Science from Lehigh University in 1974.

Michael A. McManus, Jr. became President and Chief Executive Officer of the Company on October 30, 1998. Prior to this, he served as President and Chief Executive Officer of New York Bancorp Inc. from 1991 through March 1998 and as a director of such company from 1990 through March 1998. He also served as President and Chief Executive Officer of Home Federal Savings Bank, the principal subsidiary of New York Bancorp Inc., from February 1995 through March 1998. From 1990 through November 1991, Mr. McManus was President and Chief Executive Officer of Jamcor Pharmaceuticals Inc. Mr. McManus served as an Assistant to the President of the United States from 1982 to 1985 and held positions with Pfizer Inc. and Revlon Group. Mr. McManus received a BA in economics from the University of Notre Dame and a JD from the Georgetown University Law Center. He serves as a member of the Board of Directors of American Home Mortgage Holdings, Inc., L Q Corporation, Inc., NWH, Inc. and Novavax, Inc.

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

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

Michael A. McManus, Jr. became President and Chief Executive Officer of the Company on October 30, 1998. Prior to this, he served as President and Chief Executive Officer of New York Bancorp Inc. from 1991 through March 1998 and as a director of such company from 1990 through March 1998. He also served as President and Chief Executive Officer of Home Federal Savings Bank, the principal subsidiary of New York Bancorp Inc., from February 1995 through March 1998. From 1990 through November 1991, Mr. McManus was President and Chief Executive Officer of Jamcor Pharmaceuticals Inc. Mr. McManus served as an Assistant to the President of the United States from 1982 to 1985 and held positions with Pfizer Inc. and Revlon Group. Mr. McManus received a BA in economics from the University of Notre Dame and a JD from the Georgetown University Law Center. He serves as a member of the Board of Directors of American Home Mortgage Holdings, Inc., L Q Corporation, Inc., NWH, Inc. and Novavax, Inc.

Richard Zaremba became Senior Vice President in September 2004. He became Vice President and Chief Financial Officer in February 1999. Mr. Zaremba became Secretary and Treasurer in March 1999. From March 1995 to February 1999, he was Vice President and Chief Financial Officer of Comverse Information Systems, Inc., a manufacturer of digital voice recording systems. Previously, Mr. Zaremba was Vice President and Chief Financial Officer of Miltope Group, Inc., a manufacturer of electronic equipment. Mr. Zaremba is a licensed certified public accountant in the State of New York and holds BBA and MBA degrees in Accounting from Hofstra University.

Kenneth Coviello became Senior Vice President in September 2004. He became Vice President, Medical Marketing and Sales in June 2000. Prior to joining the Company, he was Vice President — Sales and Marketing at FNC Medical Corp. Mr. Coviello was Vice President of Graham Field Health Products, Inc. from 1992 to 1998 and President of Lumex, a medical products manufacturer and a division of Lumex/Cybex Inc. from 1986 to 1991. Mr. Coviello holds a BS degree in Marketing from Long Island University.

Daniel Voic became Vice President of R&D and Engineering in January 2002. Prior thereto, he served as Engineering Manager and Director of Engineering of the Company. Mr. Voic has approximately 14 years experience in both medical and industrial product development. Mr. Voic holds a M.S. degree in mechanical engineering from Polytech University "Traian Vuia" of Timisoara, Romania and a MS degree in applied mechanics from Polytechnic University of New York.

Dr. W. Paul Constantine became Senior Vice President — Strategic Planning and New Product Development in September 2005. Dr. Constantine's career has focused on the development and management of world-class marketing and sales programs for global medical device companies. Most recently, he was responsible for two units representing medical and related products at Henry Schein, Inc. Earlier, Dr. Constantine held product development and marketing strategy positions with leading medical products suppliers, including units of and/or entities later acquired by Aesculap-B. Braun, Boston Scientific, Medtronic, and Smith & Nephew. He graduated from Samuel Merritt College with a doctorate degree after completing undergraduate studies at Loma Linda University.

Ronald Manna became Vice President — Regulatory Affairs of the Company in September 2005. From July 2002 through September 2005, he served as Vice President — New Product Development and Regulatory Affairs. For more than five years prior thereto, Mr. Manna served as Vice President — Operations of the Company. Mr. Manna holds a BS degree in mechanical engineering from Hofstra University.

Meetings of the Board of Directors

During the fiscal year ended June 30, 2005, the Board of Directors held four meetings and the Stock Option Committee held one meeting. The Audit Committee met four times and the Compensation Committee met once during the last fiscal year. No Director attended less than 75% of the aggregate of the total number of meetings of the Board of Directors and meetings of Committees of which he was a member that were held during the Company's last fiscal year.

In compliance with requirements of the Qualitative Listing Requirements of the Nasdaq Stock Market (the "NASD listing standards"), the non-management members of the Board of Directors met four times in executive session during the fiscal year ending June 30, 2005.

Committees of the Board

Currently, the only standing committees of the Board of Directors of the Company are its Stock Option Committees, the Audit Committee and the Compensation Committee. The Stock Option Committee for the 1991 Employee Stock Option Plan, the 1996 Employee Stock Option Plan, the 1998 Employee Stock Option Plan and the 2001 Employee Stock Option Plan consist of Messrs. Alliger, Minetti, O'Neill and Gildea. The Stock Option Committee for the 1996 Non-Employee Director Stock Option Plan consists of Messrs. McManus, Alliger, Minetti, O'Neill and Gildea. The Stock Option Committees are responsible for administering the Company's stock option plans.

The Company has a separately designated standing audit committee established in accordance with section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The members of the Audit Committee are Messrs. Gildea, Minetti and O'Neill. The Board of Directors has determined that each member of the Audit Committee is "independent" not only under the NASD listing standards but also within the definition contained in a final rule of the Securities and Exchange Commission (the "SEC"). Furthermore, the Board of Directors has determined that all of the members of the Audit Committee are "audit committee financial experts" within the definition contained in a final rule adopted by the SEC.

The Compensation Committee consists of Messrs. Alliger, Minetti, O'Neill and Gildea. The Compensation Committee is responsible for considering and authorizing remuneration arrangements for senior management.

Nomination of Directors

The Company does not currently have a standing Nominating Committee or a formal Nominating Committee Charter. Currently, the independent members of the Board, rather than a nominating committee, approve or recommend to the full Board those persons to be nominated. The Board believes that the current method of nominating directors is appropriate because it allows each independent board member input into the nomination process and because it complies with applicable NASD listing standards.

The Board has, by resolution, adopted a director nomination policy. The purpose of the policy is to describe the process by which candidates for inclusion in the Company's recommended slate of director nominees are selected. The director nomination policy is administered by the Board.

In the ordinary course, absent special circumstances or a change in the criteria for Board membership, the incumbent directors who continue to be qualified for Board service and are willing to continue as directors are re-nominated. If the Board thinks it is in the best interest of the Company to nominate a new individual for director in connection with an annual meeting of shareholders, or if a vacancy occurs between annual shareholder meetings, the Board will seek potential candidates for Board appointments who meet the criteria for selection as a nominee and have the specific qualities or skills being sought. Director candidates will be selected based on input from members of the Board, senior management of the Company and, if deemed appropriate, a third-party search firm.

Candidates for Board membership must possess the background, skills and expertise to make significant contributions to the Board, to the Company and its shareholders. Desired qualities to be considered include substantial experience in business or administrative activities; breadth of knowledge about issues affecting the Company; and ability and willingness to contribute special competencies to Board activities. In addition, candidates should possess the following attributes: personal integrity; absence of conflicts of interest that might impede the proper performance of the responsibilities of a director; ability to apply sound and independent business judgment; sufficient time to devote to Board and Company matters; ability to fairly and equally represent all shareholders; reputation and achievement in other areas; independence under rules promulgated by the SEC and NASD listing standards; and diversity of viewpoints, background and experiences.

The Board of Directors intends to review the director nomination policy from time to time to consider whether modifications to the policy may be advisable as the Company's needs and circumstances evolve, and as applicable legal or listing standards change. The Board may amend the director nomination policy at any time.

The Board will consider director candidates recommended by shareholders and will evaluate such director candidates in the same manner in which it evaluates candidates recommended by other sources, as described above. Recommendations must be in writing and mailed to MISONIX, INC., 1938 New Highway, Farmingdale, NY 11735, Attention: Secretary, and include all information regarding the candidate as would be required to be included in a proxy statement filed pursuant to the proxy rules promulgated by the SEC if the candidate were nominated by the Board of Directors (including such candidate's written consent to being named in the proxy statement as a nominee and to serving as a director if elected). The shareholder giving notice must provide (i) his or her name and address, as they appear on the Company's books, and (ii) the number of shares of the Company which are beneficially owned by such shareholder. The Company may require any proposed nominee to furnish such other information it may require to be set forth in a shareholder's notice of nomination which pertains to the nominee.

Director Compensation

Each non-employee Director receives an annual fee of $15,000. For the fiscal year ended June 30, 2005, there were 15,000 options granted to each of Mr. Minetti, Mr. Alliger, Mr. O'Neill and Mr. Gildea. Each non-employee Director is also reimbursed for reasonable expenses incurred while traveling to attend meetings of the Board of Directors or while traveling in furtherance of the business of the Company.

Communications with Directors

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

Director Independence

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

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

Corporate Governance

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

Board Attendance at Annual Meetings of Shareholders

The Company does not currently have a formal policy regarding Director attendance at the Annual Meeting of Shareholders. It is, however, expected that Directors will be in attendance, absent compelling circumstances. All members of the Board of Directors attended the Company's Annual Meeting of Shareholders held on January 27, 2005.

Code of Ethics

The Company has adopted a code of ethics that applies to all of its Directors, officers (including its Chief Executive Officer, Chief Financial Officer, Controller and any person performing similar functions) and employees. The Company has filed a copy of this Code of Ethics as Exhibit 14 to its Annual Report on Form 10-K for the fiscal year ended June 30, 2004. The Company has also made the Code of Ethics available on its website at www.MISONIX.com.

In accordance with the Sarbanes-Oxley Act of 2002, the Audit Committee has established procedures for the receipt and handling of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and to allow for the confidential, anonymous submission by employees of concerns regarding auditing or accounting matters.

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

Audit Committee Report

Management is responsible for the Company's financial reporting process, including its system of internal control, and for the preparation of consolidated financial statements in accordance with

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

The Audit Committee of the Company's Board of Directors is currently composed of three Directors, none of who are officers or employees of the Company. The Board of Directors has determined that (1) all members of the Audit Committee are financially literate and independent under the NASD listing standards, and (2) Messrs. Gildea, Minetti and O'Neill are "audit committee financial experts", as defined under the rules and regulations promulgated by the SEC. The Board of Directors has adopted a written charter for the Audit Committee.

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

The Audit Committee has reviewed and discussed the audited financial statements contained in our Annual Report on Form 10-K for the year ended June 30, 2005 with our management; has discussed with the independent auditors the matters required to be discussed by SAS 61 (Codification of Statements on Auditing Standards AU 380); has discussed with the independent auditors the independent auditors' independence; and has received the written disclosures and the letter from the independent auditors required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees).

Based on the review and discussions of the above, the Audit Committee recommended to our Board of Directors that the audited financial statements be included in the Company's Annual Report on Form 10-K for the year ended June 30, 2005 for filing with the SEC.

Reported upon by the Audit Committee

T. Guy Minetti
Thomas F. O'Neill
John W. Gildea

EXECUTIVE COMPENSATION

The following report and the performance graph on page 13 do not constitute soliciting materials and are not considered filed or incorporated by reference into any other of the Company's filings under the Securities Act or the Exchange Act, unless the Company states otherwise.

Report of the Compensation Committee

Compensation Policies. The principal goal of the Company's compensation program as adminis-tered by the Compensation Committee of the Board is to help the Company attract, motivate and retain the executive talent required to develop and achieve the Company's strategic and operating goals with a view to maximizing shareholder value. The key elements of this program and the objectives of each element are as follows:

Base Salary. Base salaries paid to the Company's executive officers are intended to be competitive with those paid to executives holding comparable positions in the marketplace. Individual performance and the Company's performance are considered when setting salaries within the range for each position. Annual reviews are held and adjustments are made based on attainment of individual goals in a manner consistent with operating and financial performance.

Bonuses. Annual cash bonuses are intended to motivate performance by creating the potential to earn incentive awards that are contingent upon personal and business performance. The Company sets goals of revenue and profitability for each segment.

Long Term Incentives. The Company provides its executive officers with long-term incentive compensation through grants of stock options under the Company's stock option plans. The grant of stock options aligns the executive's interest with those of the Company's shareholders by providing the executive with an opportunity to purchase and maintain an equity interest in the Company's stock and to share in the appreciation of its value. In fiscal 2005 options to purchase 54,000 shares of Common Stock were granted to the Company's executive officers.

CEO's Compensation. Mr. McManus is entitled to receive an annual base salary of $275,000 and is entitled to receive a discretionary bonus based on the Company's performance. Mr. McManus also received options to purchase 125,000 shares of Common Stock at a purchase price of $5.18 per share. The factors involved in determining the CEO's compensation are the Company's revenues and profits, his lengthy experience and business acumen, his responsibilities, and the efforts exerted by him in the performance of his duties. The options to purchase the 125,000 shares vested as follows: 50% of the options vested immediately and the balance vested on November 1, 2005. The options expire on the tenth anniversary of the date of grant.

Reported upon by the Compensation Committee

Howard Alliger
T. Guy Minetti
Thomas F. O'Neill
John W. Gildea

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The following table sets forth for the fiscal years indicated the compensation paid by the Company to its Chief Executive Officer and other executive officers with annual compensation exceeding $100,000:

SUMMARY COMPENSATION TABLE

	Annual Compensation [1]			Long Term Compensation
Name and Principal Position	Fiscal Year Ended June 30	Salary ($)	Bonus ($)	Securities Underlying Options (#)
Michael A. McManus, Jr.	2005	275,000	250,000	125,000
President and Chief	2004	275,000	250,000	125,000
Executive Officer	2003	275,000	100,000[2]	150,000
Richard Zaremba	2005	170,740	33,000	18,000
Senior Vice President, Chief	2004	157,878	30,000	30,000
Financial Officer, Secretary	2003	154,212	1,595	40,000
and Treasurer				
Kenneth Coviello	2005	159,900	35,000	20,000
Senior Vice President,	2004	141,095	30,000	30,000
Medical Marketing and Sales	2003	135,093	2,562	35,000
Daniel Voic	2005	119,600	22,000	12,000
Vice President of R&D	2004	121,141	25,000	15,000
and Engineering	2003	116,645	12,129	10,000
Bernhard Berger[3]	2005	112,517	8,000	5,000
Vice President —	2004	110,692	2,000	10,000
Industrial/Scientific Products	2003	108,748	17,021	20,000
Ronald Manna	2005	104,948	4,000	4,000
Vice President — Regulatory Affairs	2004	102,522	2,000	5,000
	2003	114,231	1,000	5,000

(1)No other annual compensation is shown because the amounts of perquisites and other non-cash benefits provided by the Company do not exceed the lesser of $50,000 or 10% of the total annual base salary and bonus disclosed in this table for the named officer.

(2)Voluntarily received a reduced bonus from the guaranteed amount.

(3)Mr. Berger resigned from the Company in August 2005.

Employment Agreements

The Company has entered into an employment agreement with Mr. McManus providing for his employment as President and Chief Executive Officer. The term of the agreement expires on October 31, 2006 and is automatically renewable for one-year periods unless 60 days notice of non-renewal is given by the Company or by Mr. McManus. The agreement also provides for a discretionary annual bonus based on the Company's performance. The Company's employment agreement with Mr. McManus also contains non-competition provisions that preclude him from competing with the Company for a period of 18 months from the date of his termination of employment. Mr. McManus also was granted options to purchase 125,000 shares of the Company's Common Stock at an exercise price of $5.18 per share. The options vested as follows: 50% vested immediately and the balance vested on November 1, 2005. Mr. McManus will also receive such benefits as are generally provided to other executives of the Company.

Upon the occurrence of certain "Changes in Control" events (as defined in the agreement), Mr. McManus will receive a one-time payment equal to his annual base salary and a bonus of no less than $250,000.

In conformity with the Company's policy, all of its Directors, officers and employees execute confidentiality and nondisclosure agreements upon the commencement of employment with the Company. The agreements generally provide that all inventions or discoveries by the employee related to the Company's business and all confidential information developed or made known to the employee during the term of employment shall be the exclusive property of the Company and shall not be disclosed to third parties without prior approval of the Company. Mr. Manna has an agreement with the Company which provides for the payment of six months severance upon his termination for any reason. Mr. Zaremba has an agreement for payment of six months annual base salary upon a change in control of the Company.

Option Grants in Last Fiscal Year and Fiscal Year-End Values

The following table contains information concerning options granted to executive officers named in the Summary Compensation Table during the fiscal year ended June 30, 2005:

Option Grants in Last Fiscal Year

Name	Number of Securities Underlying Options Granted (#)	% of Total Options Granted to Employees	Exercise Price ($/Sh)	Expiration Date	Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for

		in Fiscal Year			Option Term 5% ($)	10% ($)
Michael A. McManus, Jr.	125,000	68	5.18	11/01/2014	407,209	1,031,948
Richard Zaremba	18,000	9	8.00	09/15/2014	90,540	229,500
Kenneth Coviello	20,000	11	8.00	09/15/2014	100,600	255,000
Daniel Voic	12,000	7	8.00	09/15/2014	60,360	153,000
Bernhard Berger	5,000	3	8.00	09/15/2014	25,150	63,750
Ronald Manna	4,000	2	8.00	09/15/2014	20,120	51,000

Option Exercises in Last Fiscal Year and Fiscal Year-End Option Values

The following table contains information concerning the number and value, at June 30, 2005, of exercised options and unexercised options held by executive officers named in the Summary Compensation Table:

Name	Shares Acquired on Exercise (#)	Value Realized ($)	Number of Securities Underlying Unexercised Options at Fiscal Year End (#) Exercisable/ Unexercisable	Value of Unexercised In-the-Money Options at Fiscal Year End ($) Exercisable/Unexercisable
Michael A. McManus, Jr.	30,000	68,700	1,007,500/62,500	501,550/36,250
Richard Zaremba	—	—	65,000/13,000	29,800/5,300
Kenneth Coviello	—	—	83,667/23,333	42,320/10,600
Daniel Voic	—	—	35,700/13,000	15,022/5,300
Bernhard Berger	10,000	18,432	15,001/5,000	11,467/0
Ronald Manna	—	—	87,166/4,334	61,683/1,767

(1) Fair market value of underlying securities (the closing price of the Common Stock on the NASD Automated Quotation System) at fiscal year end (June 30, 2005) minus the exercise price.

Stock Options

In September 1991, in order to attract and retain persons necessary for the success of the Company, the Company adopted a stock option plan (the "1991 Plan") which covers up to 375,000 shares of Common Stock. Pursuant to the 1991 Plan, officers, Directors, consultants and key employees of the

Company are eligible to receive incentive and/or non-incentive stock options. At June 30, 2005, options to purchase 30,000 shares of Common Stock were outstanding under the 1991 Plan at an exercise price of $7.38 per share with a vesting period of immediate to two years, options to purchase 327,750 shares of Common Stock have been exercised and options to purchase 47,250 shares have been forfeited (of which options to purchase 30,000 shares have been reissued).

In March 1996, the Board of Directors adopted and in February 1997, the shareholders approved the 1996 Employee Incentive Stock Option Plan covering an aggregate of 450,000 shares of Common Stock (the "1996 Plan") and the 1996 Non-Employee Director Stock Option Plan (the "1996 Directors Plan") covering an aggregate of 1,125,000 shares of Common Stock. At June 30, 2005, options to purchase 302,276 shares of Common Stock were outstanding at exercise prices ranging from $3.07 to $18.50 per share with a vesting period of immediate to two years under the 1996 Plan and options to acquire 235,000 shares of Common Stock were outstanding at exercise prices ranging from $.73 to $7.10 per share with immediate vesting under the 1996 Directors Plan. At June 30, 2005, options to purchase 136,295 shares of Common Stock under the 1996 Plan have been exercised and options to purchase 183,374 shares of Common Stock have been forfeited (of which options to purchase 171,945 shares of Common Stock have been reissued). At June 30, 2005, options to purchase 733,500 shares of Common Stock under the 1996 Directors Plan have been exercised and options to purchase 90,000 shares of Common Stock have been forfeited (of which none have been reissued) and 66,500 shares of Common Stock remain available for future grant.

In October 1998, the Board of Directors adopted and in January 1999, the shareholders approved the 1998 Employee Stock Option Plan (the "1998 Plan") covering an aggregate of 500,000 shares of Common Stock. At June 30, 2005, options to purchase 401,675 shares of Common Stock were outstanding under the 1998 Plan at exercise prices ranging from $3.07 to $7.31 per share with a vesting period of immediate to two years. At June 30, 2005, options to purchase 51,348 shares of Common Stock under the 1998 Plan have been exercised and options to purchase 75,902 shares of Common Stock under the 1998 plan have been forfeited (of which options to purchase 28,925 shares of Common Stock have been reissued).

In October 2000, the Board of Directors adopted and in February 2001, the shareholders approved the 2001 Employee Stock Option Plan (the "2001 Plan") covering an aggregate of 1,000,000 shares of Common Stock. At June 30, 2005, options to purchase 939,124 shares of Common Stock were outstanding under the 2001 Plan at exercise prices ranging from $4.66 to $8.00 per share with a vesting period of one to three years. At June 30, 2005, options to purchase 56,389 shares of Common Stock under the 2001 Plan have been exercised and options to purchase 93,383 shares of Common Stock under the 2001 Plan have been forfeited (of which options to purchase 88,896 shares of Common Stock have been reissued).

The selection of participants, allotments of shares, determination of price and other conditions relating to options are determined by the Board of Directors, or a committee thereof, depending on the Plan, and in accordance with Rule 4350(c) of the NASD listing standards. Incentive stock options granted under the plans are exercisable for a period of up to ten years from the date of grant at an exercise price which is not less than the fair market value of the Common Stock on the date of the grant, except that the term of an incentive stock option granted under the plans to a shareholder owning more than 10% of the outstanding Common Stock may not exceed five years and its exercise price may not be less than 110% of the fair market value of the Common Stock on the date of grant. Options shall become exercisable at such time and in such installments as provided in the terms of each individual option agreement.

Compensation Committee Interlocks and Insider Participation

Mr. Alliger, Mr. Minetti, Mr. Gildea and Mr. O'Neill are the members of the Compensation Committee. No Company executive officer currently serves on the Compensation Committee or any similar committee of another public company, one of whose executive officers sits on the Compensation Committee of the Company.

Share Performance Graph

The following graph compares the cumulative total return on the Company's Common Stock during the last five fiscal years with the NASDAQ Total U.S. and Foreign Return Index and the NASDAQ

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Medical Devices, Instruments and Supplies Index during the same period. The graph shows the value, at the end of each of the last five fiscal years, of $100 invested in the Common Stock or the indices on June 30, 2000. The graph depicts the change in value of the Company's Common Stock relative to the noted indices as of the end of each fiscal year and not for any interim period. Historical stock price performance is not necessarily indicative of future stock price performance.

	2001	2002	2003	2004	2005
MISONIX, INC.	100	86	45	103	83
NASDAQ Total U.S. & Foreign Return Index	100	68	76	96	97
NASDAQ Medical Devices, Instruments and Supplies Index	100	81	97	128	143

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires the Company's officers, Directors and persons who own more than ten percent of a registered class of the Company's equity securities ("Reporting Persons") to file reports of ownership and changes in ownership on Forms 3, 4 and 5 with the SEC and the National Association of Securities Dealers, Inc. (the "NASD"). These Reporting Persons are required by SEC regulation to furnish the Company with copies of all Forms 3, 4 and 5 they file with the SEC and NASD. Based solely on the Company's review of the copies of the forms it has received, the Company believes that all Reporting Persons complied on a timely basis with all filing requirements applicable to them with respect to transactions during fiscal year 2005.

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PROPOSAL TWO

APPROVAL OF THE 2005 EMPLOYEE EQUITY INCENTIVE PLAN

Background; Purpose

On September 26, 2005, the Board of Directors adopted the MISONIX, INC. 2005 Employee Equity Incentive Plan (the "2005 Plan"), subject to approval by the Company's shareholders. The purpose of the 2005 Plan is to promote the success of the Company by providing a method whereby officers, employees and independent contractors providing services to the Company and its affiliates may be encouraged to increase their proprietary interest in the Company's business.

By offering incentive compensation opportunities that are competitive with those of similar enterprises and based on the performance of the Company's Common Stock, the 2005 Plan will motivate participants to continue to provide services and achieve long-range goals, further align their interests with those of the Company's other shareholders, and promote the long-term financial interest of the Company and its affiliates, including enhancement of long-term shareholder value. The 2005 Plan is also intended to aid in attracting persons of exceptional ability and leadership qualities to become officers, employees and independent contractors of the Company and its affiliates.

The Company's 1991 Plan, 1996 Plan, 1996 Directors Plan, 1998 Plan and 2001 Plan (collectively, the "Plans") are the existing equity-based incentive plans available to officers, employees, directors and independent contractors of the Company. The Board adopted the 2005 Plan because the number of shares that remain available for grant subject to awards under the Plans are insufficient to satisfy the Company's anticipated incentive compensation needs for current and future officers, employees and independent contractors as it shifts its focus from cash-based bonus awards to equity-based bonus awards. Currently, there are approximately 20,000 shares available for grant under the Plans. Although the Company's 1991 Plan terminated effective September 2001, options granted under such plan prior to that date remain in effect. In addition, the 2005 Plan would offer additional features which are not offered under the Plans. If the 2005 Plan is adopted, the Plans would continue until all available shares authorized for issuance thereunder have been exhausted.

The Board believes that the adoption of the 2005 Plan would, among other things, enhance the long-term shareholder value of the Company by offering opportunities to the Company's officers, employees and independent contractors to participate in the Company's growth and success, and to encourage them to remain in the service of the Company and its subsidiaries and to acquire and maintain stock ownership in the Company. The Board believes that existing option grants have contributed substantially to achievement of the Company's success and that the granting of stock options and stock awards for these purposes is comparable with the practices of other companies. In addition, the failure to adopt the 2005 Plan would unnecessarily restrict the Company's ability to pursue opportunities for future acquisitions, mergers, and other corporate transactions. The Board believes that the 2005 Plan is necessary to provide the Company with the flexibility to pursue the types of opportunities described above without the added delay and expense of obtaining shareholder approval each time an opportunity requiring the issuance of shares under the Plans may arise. If the 2005 Plan is approved, the Company will have additional authorized shares of Common Stock available for future grants for new hires and to retain existing employees. Approval of the 2005 Plan will enable the Company to provide for more equity-based ownership by its senior officers in order to further align their interests with those of the shareholders.

The 2005 Plan is also being submitted to the Company's shareholders in order to ensure its compliance with Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"). Section 162(m) denies a tax deduction for certain compensation in excess of $1 million per year paid by a company to its Chief Executive Officer and to the four most highly compensated executive officers (other than the Chief Executive Officer) for whom compensation disclosure is required under the proxy rules ("Covered Employees"). Certain compensation, including compensation based on the attainment of performance goals, is excluded from this deduction limit if certain requirements are met. Among these requirements is that the material terms (including the performance goals) pursuant to which the compensation is to be paid (including the business criteria on which the performance goal is based and the maximum amount

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that can be paid to any individual if the performance goal is attained) are disclosed and approved by shareholders prior to payment. Accordingly, if the 2005 Plan is approved by shareholders and other conditions of Section 162(m) relating to the exclusion for performance-based compensation are satisfied, compensation paid to Covered Employees pursuant to the 2005 Plan will not be subject to the deduction limit of Section 162(m).

Shares Available

The Board of Directors adopted the 2005 Plan on September 26, 2005, subject to approval by the Company's shareholders. If this Proposal Two is adopted, a maximum of 500,000 shares of Common Stock will be reserved for issuance under the 2005 Plan (subject to equitable adjustment in the event of a change in the Company's capitalization).

Administration

The 2005 Plan is administered by a committee established by the Board of Directors, the composition of which will at all times satisfy the provisions of the NASD listing standards and Rule 16b-3 of the Exchange Act, as in effect from time to time, including any successor thereof. The committee has full authority, subject to the provisions of the 2005 Plan, to determine, among other things, the persons to whom awards under the 2005 Plan will be made, the time or times at which such awards will be granted, the types of awards to be granted and the number of shares of Common Stock subject to such awards, and the specific terms, conditions, performance criteria, restrictions and other provisions applicable to awards, including, but not limited to, the duration, vesting and exercise periods, the circumstances for forfeiture and the form and timing of payment.

Eligibility

Awards under the 2005 Plan may be made to officers, employees and independent contractors of the Company and its present or future subsidiaries and affiliates, in each case, who are selected by the committee in its sole discretion.

Options

Stock options may be either "incentive stock options," as that term is defined in Section 422 of the Code, or nonqualified stock options. The exercise price of an option will not be less than the fair market value per share (as defined in the 2005 Plan) of Common Stock on the day preceding the date of grant. Options become exercisable at the time or times and upon such terms as the committee may determine, and may be exercised following termination of employment if and to the extent determined by the committee in the document evidencing the option. The exercise price of options may be paid in cash, by check or promissory note, by tendering (by actual delivery or attestation) shares of Common Stock, or by way of a "broker's cashless exercise" procedure.

The committee may effect, with the consent of affected option holders and the approval of shareholders, the cancellation of any or all outstanding options under the 2005 Plan and grant new options covering the same or a different number of shares of Common Stock but with an exercise price per share based on the fair market value of such shares on the new option grant date.

Restricted Stock; Restricted Stock Units

The 2005 Plan permits the Company to grant restricted stock and restricted stock units to participants. Restricted stock is Common Stock transferred to the grantee, generally without payment to the Company, which shares are subject to certain restrictions and to a risk of forfeiture. A restricted stock unit is a right to receive shares of Common Stock or cash at the end of a specified period, subject to a risk of forfeiture. Restricted stock and restricted stock units will generally be subject to vesting and nontransferability restrictions that will lapse upon the achievement of one or more goals relating to the completion of service by the participant or the achievement of performance or other objectives, as determined by the committee at the time of grant. Performance factors may include: before or after-tax net income; book value per share; stock price; return on shareholders' equity; relative performance versus peers; expense management; return on investment; improvements in capital structure; profitability of an identifiable business unit or product; profit margins; budget comparisons; total return to shareholders; revenue; or any increase or decrease of one or more of the foregoing over a specified period. The performance factors may relate to the performance of the Company, a business unit, product line, territory, or any combination thereof and may include other objective measures determined by the committee to contribute significantly to shareholder value creation.

The committee may structure the terms of a performance factor so as to permit the reduction or elimination of any award of restricted stock or restricted stock units, but in no event may the committee increase the amount or vesting of such awards.

Termination of Service

Except as otherwise provided by the committee, in the event of a participant's termination of service due to death, disability or retirement (each, as defined in the 2005 Plan), each outstanding award granted or share of Common Stock purchased by such participant will immediately become vested. Each option may thereafter be exercised for a period of twelve (12) months following the date of death or termination of service due to disability or retirement, as applicable, or, if earlier, until the option expires. Except as otherwise provided by the committee, in the event of a participant's termination of service for cause (as defined in the 2005 Plan) or if the participant voluntarily terminates his or her service with the Company or any of its affiliates, then any options held by such participant, whether or not then vested, will immediately terminate and all rights to Common Stock or restricted stock units as to which there remain unlapsed restrictions as of the date of such termination of service will be forfeited. Except as otherwise provided by the committee, if a participant's service with the Company or any of its affiliates is terminated for reasons other than death, disability, retirement, termination for cause or voluntary termination by the participant, all options held by the participant that were not vested immediately prior to such termination will become null and void at the time of the termination. Any options that were exercisable immediately prior to the termination will continue to be exercisable for a period of three months and then terminate. In no event, however, will an option remain exercisable beyond its expiration date. In addition, all rights to shares of Common Stock or restricted stock units as to which there remain unlapsed restrictions as of the date of such termination of service will be forfeited.

In addition, in the case of an optionee who has terminated employment and engaged in harmful conduct (as defined in the 2005 Plan), the committee may require such optionee to pay to the Company an amount equal to the option profit he or she realized during the fifteen (15) month period commencing twelve (12) months prior to such optionee's last day of employment and ending three months thereafter.

Change-In-Control

In the event of a Change-In-Control (as defined in the 2005 Plan), each outstanding award or share purchased pursuant to any award will, if not fully vested, become fully vested and, in the case of options, fully exercisable with respect to the total number of shares of Common Stock at the time subject to such option and may be exercised for any or all of those shares.

Equitable Adjustment

The committee may adjust the number of shares of Common Stock reserved for issuance subject to awards under the Plan, the number of shares of Common Stock subject to outstanding options and restricted stock and restricted stock unit awards or the exercise price, and may make any other adjustments it determines to be equitable. The committee may also provide for a cash payment to any participant in connection with any such equitable adjustment.

Termination; Amendment

The 2005 Plan may, at any time and from time to time, be suspended, discontinued, modified, amended or terminated by the Board or the committee, in whole or in part, provided that no modification or amendment that requires shareholder approval will be effective prior to the time such amendment has

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received the requisite approval of shareholders. In addition, no termination, modification or amendment may be made that adversely affects any of the rights of a grantee under any award theretofore granted, without such grantee's consent.

Certain U.S. Federal Income Tax Consequences

The following discussion is a brief summary of the principal United States federal income tax consequences of the 2005 Plan under the provisions of the Code as currently in effect. These rules are subject to change. This summary is not intended to be exhaustive and does not describe, among other things, state, local or foreign income and other tax consequences. The specific tax consequences to a participant will depend upon a participant's individual circumstances. Therefore, it is suggested that a participant consult his or her tax and/or financial advisor for tax advice before exercise of an option and before disposing of any shares of Common Stock acquired upon the exercise thereof or pursuant to any other award under the 2005 Plan.

Nonqualified Stock Options. In the case of a nonqualified stock option, a participant generally will not be taxed upon the grant of the option. Rather, at the time of exercise of that nonqualified stock option, the participant will generally recognize ordinary income for federal income tax purposes in an amount equal to the excess of the then fair market value of the shares purchased over the option exercise price, which is referred to as the spread. The Company will generally be entitled to a tax deduction at the time and in the amount that the participant recognizes ordinary income.

Incentive Stock Options. A participant will not be in receipt of taxable income upon the grant of an incentive stock option ("ISO"). In order for an option to qualify as an ISO, among other things, the participant must be an employee of the Company or a subsidiary at all times during the period beginning on the date of grant of the ISO and ending on the date three months before the date of exercise (or one year before the date of exercise in the case of a disabled optionee). In addition, the exercise of an ISO will remain qualified if made by the legal representative of a participant who dies (i) while in the employ of the Company or a subsidiary or (ii) within three months after termination of the participant's employment.

If Common Stock acquired pursuant to the exercise of an ISO is later disposed of, the participant will, except as noted below, recognize long-term capital gain or loss (if the Common Stock is a capital asset of the participant) equal to the difference between the amount realized upon such sale and the option exercise price. The Company, under these circumstances, will not be entitled to any federal income tax deduction in connection with either the exercise of the ISO or the sale of such stock by the participant.

If, however, stock acquired pursuant to the exercise of an ISO is disposed of by the participant prior to the expiration of two years from the date of grant of the ISO or within one year from the date such stock is transferred to him or her upon exercise (a "disqualifying disposition"), any gain realized by the participant generally will be taxable at the time of such disqualifying disposition as follows: (i) at ordinary income rates to the extent of the difference between the option exercise price and the lesser of the fair market value of the stock on the date the ISO is exercised or the amount realized on such disqualifying disposition and (ii) if the stock is a capital asset of the participant, as short-term or long-term capital gain to the extent of any excess of the amount realized on such disqualifying disposition over the fair market value of the stock on the date of exercise. In such case, the Company generally will be entitled to claim a federal income tax deduction at the time of such disqualifying disposition for the amount taxable to the participant as ordinary income. Any capital gain recognized by the optionee will be long-term or short-term capital gain, depending on the length of time such shares were held by the participant.

The amount by which the fair market value of the stock on the exercise date of an ISO exceeds the option exercise price will be an item of adjustment for purposes of the "alternative minimum tax" imposed by Section 55 of the Code.

Exercise with Shares. A participant who pays the option price upon exercise of an option, in whole or in part, by delivering already-owned shares of stock will generally not recognize gain or loss on the shares surrendered at the time of such delivery, except under certain circumstances. Rather, recognition of that gain or loss will generally occur upon disposition of the shares acquired in substitution for the shares surrendered.

Restricted Stock. A participant generally will not be subject to tax upon the grant of restricted stock, but rather will recognize ordinary income in an amount equal to the fair market value of the Common Stock at the time the shares are no longer subject to a substantial risk of forfeiture (as defined in the Code). A holder may, however, elect to be taxed at the time of the grant. The Company generally will be entitled to a deduction at the time and in the amount that the holder recognizes ordinary income. A participant's tax basis in the shares will equal their fair market value at the time the restrictions lapse, and the participant's holding period for capital gains purposes will begin at that time. Any cash dividends paid on the shares before the restrictions lapse will be taxable to the participant as additional compensation (and not as dividend income).

Restricted Stock Units. In the case of restricted stock units, a holder generally will not be taxed upon the grant of such units or upon the lapse of restrictions on such units but, rather, will recognize ordinary income in an amount equal to the value of the shares and cash received at the time of such receipt. The Company will be entitled to a deduction at the time and in the amount that the holder recognizes ordinary income.

Employment Tax. In general, the amount that a participant recognizes as ordinary income under an award also is treated as "wages" for purposes of the Federal Insurance Contributions Act ("FICA"). The participant and the Company must pay equal amounts of federal employment tax under FICA with respect to the participant's wages.

Plan Benefits

The benefits or amounts that will be received by or allocated to any participants are not now determinable.

The Board of Directors of the Company has unanimously approved and recommends that the shareholders approve the 2005 Plan covering an aggregate of 500,000 shares of Common Stock at the Annual Meeting. The full text of the 2005 Plan is set forth in Exhibit "A" to this Proxy Statement, and the description of the 2005 Plan set forth herein is qualified in its entirety by reference to the text of such plan.

Should shareholders not approve this Proposal Two, the 2005 Plan will not be established, and when the number of shares currently remaining authorized for issuance under the Plans is exhausted, the Company will not be able to grant additional awards under the Plans absent further shareholder action.

Under applicable law, the adoption of the 2005 Plan requires the affirmative vote of the majority of the shares present in person or represented by proxy at the Annual Meeting and entitled to vote on this proposal.

The Board of Directors Recommends a Vote FOR Adoption of Proposal Two.

PROPOSAL THREE

Approval of the 2005 Non-Employee Director Stock Option Plan

Background

On September 26, 2005, the Board of Directors adopted, subject to approval of the shareholders, the 2005 Non-Employee Director Stock Option Plan ("Outside Directors' Plan"). The following description of the Outside Directors' Plan is qualified in its entirety by reference to the text of the Outside Directors' Plan, a copy of which is annexed hereto as Exhibit "B".

Purpose

The purpose of the Outside Directors' Plan is to provide long-term incentive supplemental compensation for members of the Board of Directors of the Company who are not employees of the Company through the ownership of the Company's Common Stock, thereby further aligning their interest

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with the interests of shareholders. Stock option plans for non-employee directors have served other companies and their shareholders well by directly relating incentive compensation to the building of long-term shareholder values. Such plans are increasingly common throughout American industry and are found in other companies with which the Company competes for the services of qualified individuals to serve as directors. The Company's 1996 Directors Plan, which expires in March 2006, has available for grant thereunder options to purchase approximately 200,000 shares of Common Stock.

Administration of the Outside Directors' Plan

The Outside Directors' Plan will be administered by the Board. The Board, subject to the terms of the Outside Directors' Plan, will have discretion affecting the timing, price and amount of any grants made under the Outside Directors' Plan.

Shares of Stock Subject to the Outside Directors' Plan

The aggregate number of shares that may be subject to options during the term of the Outside Directors' Plan is limited to 200,000 shares of Common Stock of the Company. This limit may not be increased during the term of the Outside Directors' Plan except by equitable adjustment following recapitalization, stock splits, stock dividends or any similar adjustment in the number of shares subject to outstanding options, and in the related option exercise price. If the shareholders approve the Outside Directors' Plan, additional shares (which can be authorized but unissued shares or treasury shares or a combination thereof) will be set aside for the award of options.

Eligibility

Directors of the Company, who at the time of receiving any grant are not employees of the Company, are eligible to receive benefits under the Outside Directors' Plan.

Duration of the Outside Directors' Plan

No awards of stock options may be made after 2015, but termination will not affect the rights of any participant with respect to any grants made prior to termination.

Exercise Price

The exercise price with respect to an option awarded under the Outside Directors' Plan will be not less than 100% of the fair market value of the Common Stock as of the date the option is granted. It will be paid for in full, in cash, by the delivery of shares of Common Stock acquired by the Director more than six months prior to the option exercise date or in any other medium and manner satisfactory to the Company at the time the option is exercised. If shares of Common Stock are used, the Common Stock shall be credited toward the exercise price in the amount of the fair market value of the Common Stock surrendered on the date of exercise of options. The optionee must satisfactorily provide for the payment of any taxes which the Company is obligated to collect or withhold before the shares of the Common Stock are transferred to the optionee.

Provisions Relating To Options

Options may not be exercised after ten years from the date of the grant, except in the case of death of the grantee in the final year prior to expiration of the 10-year term. In that case, stock options may be exercised for a period of eleven years from the date of grant. The Board may make provision for exercises within the 10-year terms of a grant but following termination of Board membership. Recipients will have no rights as shareholders until the date of exercise in the case of an exercise involving receipt of stock. Options may not be transferred except upon the death of the grantee, in certain other instances as provided by law, and for the benefit of immediate family members if permitted by law and under uniform standards adopted by the Board.

Amendment to the Outside Directors' Plan

The Board of Directors may amend or terminate the Outside Directors' Plan, except that no amendment shall affect the timing, price or amount of any grants to eligible Directors. In addition,

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shareholders must approve any change (i) increasing the number of shares subject to the Outside Directors' Plan (except as described under "Shares of Stock subject to the Outside Directors' Plan") or (ii) changing the eligibility for grant. Provisions of the Outside Directors' Plan may not be amended more than once every six months, other than to comply with provisions of applicable law.

Federal Income Tax Consequences

A recipient of options incurs no income tax liability as a result of having been granted those options. The exercise by an individual of a stock option normally results in the immediate realization of income by the individual of the difference between the market value of the stock which is being purchased on the date of exercise and the price being paid for such stock. The amount of such income also is deductible by the Company. If the exercise price is paid in whole or in part in shares of Common Stock, no income, gain or loss is recognized by a Director or former Director on the receipt of shares of Common Stock equal in number to the shares of Common Stock delivered in payment of the exercise price, and the fair market value of the remainder of the shares of Common Stock received upon exercise of the option, determined as of the date of exercise, less the amount of cash, if any, paid upon exercise, is treated as compensation income received by the Director or former Director.

Under current law an individual who sells stock which was acquired upon the exercise of options will receive long-term capital gains or loss treatment, if the individual has held such stock for longer than one year following the date of such exercise, on gain or loss equal to the difference between the price for which such stock was sold and the market value of the stock on the date of the exercise. If the individual has held the stock for one year or less the gain or loss will be treated as short-term capital gain or loss.

Plan Benefits

The benefits or amounts that will be received by or allocated to any participants are not now determinable.

Vote Required

The Outside Directors' Plan requires the affirmative vote of a majority of the outstanding shares of the Company entitled to vote. If the Outside Directors' Plan is not approved by shareholders, it will not become effective.

The Board of Directors recommends a vote FOR approval of the 2005 Non-Employee Director Stock Option Plan covering an aggregate of 200,000 shares of Common Stock.

* * *

Independent Registered Public Accounting Firm

Ernst & Young LLP ("Ernst & Young") has audited the Company's financial statements for the Company's 2005 and 2004 fiscal years. A representative of Ernst & Young is expected to be available either personally or by telephone hookup at the Annual Meeting to respond to appropriate questions from shareholders and will be given the opportunity to make a statement if he desires to do so.

Audit Fees:

Ernst & Young billed the Company $241,603 and $190,045 in the aggregate for services rendered for the audit of the Company's annual financial statements for the Company's 2005 and 2004 fiscal years, respectively, and the review of the interim financial statements included in the Company's Quarterly Reports on Form 10-Q for the Company's 2005 and 2004 fiscal years, respectively.

Audit-Related Fees:

The Company did not engage Ernst & Young to perform audit-related services for the Company's 2005 and 2004 fiscal years.

Tax Fees:

Ernst & Young did not render any professional services for tax compliance, tax advice or tax planning for the Company's 2005 and 2004 fiscal years.

All Other Fees:

Ernst & Young billed the Company $15,000 and $29,800 in the aggregate for professional services rendered for all other services other than those covered in the section captioned "Audit Fees" for the Company's 2005 and 2004 fiscal years, respectively. These other services include (i) assistance with regulatory filings, (ii) audit of the Company's 401K plan, (iii) consultations on the effects of various accounting issues and changes in professional statements and (iv) income tax returns for Labcaire Systems Limited, the Company's U.K. subsidiary.

Policy on Pre-approval of Independent Auditor Services

The charter of the Audit Committee provides for the pre-approval of all auditing services and all permitted non-auditing services to be performed for the Company by the independent auditors, subject to the requirements of applicable law. The procedures for pre-approving all audit and non-audit services provided by the independent auditors include the Audit Committee reviewing audit-related services, tax services, and other services. The Audit Committee periodically monitors the services rendered by and actual fees paid to the independent auditors to ensure that such services are within the parameters approved by the Committee. All the services described in All Other Fees, above, were approved by the Audit Committee in accordance with its pre-approval policies and procedures.

The Audit Committee has considered the services provided by Ernst & Young covered under All Other Fees and has found that they are compatible with maintaining Ernst & Young's independence.

MISCELLANEOUS INFORMATION

As of the date of this Proxy Statement, the Board of Directors does not know of any business other than that specified above to come before the Annual Meeting, but, if any other business does lawfully come before the Annual Meeting, it is the intention of the persons named in the enclosed Proxy to vote in regard thereto in accordance with their judgment.

The Company will pay the cost of soliciting Proxies in the accompanying form and as set forth below. In addition to solicitation by use of the mails, certain officers and regular employees of the Company may solicit proxies by telephone, telegraph or personal interview without additional remuneration therefor.

SHAREHOLDER PROPOSALS

Shareholder proposals with respect to the Company's next Annual Meeting of Shareholders must be received by the Company no later than July 24, 2006 to be considered for inclusion in the Company's next Proxy Statement. Under SEC proxy rules, Proxies solicited by the Board of Directors for the 2006 Annual Meeting may be voted at the discretion of the persons named in such proxies (or their substitutes) with respect to any shareholder proposal not included in the Company's Proxy Statement if the Company does not receive notice of such proposal on or before November 7, 2006, unless the 2006 Annual Meeting is not held within 30 days before or after the anniversary date of the 2005 Annual Meeting.

A copy of the Company's Annual Report to Shareholders for the fiscal year ended June 30, 2005 has been provided to all shareholders. Shareholders are referred to the Report for financial and other information about the Company, but such Report is not incorporated in this Proxy Statement and is not part of the proxy soliciting material.

By Order of the Board of Directors,
RICHARD ZAREMBA
Secretary

Dated: November 11, 2005
Farmingdale, New York

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EXHIBIT "A"

MISONIX, INC.
2005 EMPLOYEE EQUITY INCENTIVE PLAN

ARTICLE I

PURPOSE AND EFFECTIVENESS

1.1 Purpose. The purpose of the MISONIX, INC. 2005 Employee Equity Incentive Plan (the "Plan") is to promote the success of MISONIX, INC. (the "Company") by providing a method whereby officers, employees, and independent contractors providing services to the Company and its Affiliates may be encouraged to increase their proprietary interest in the Company. By offering incentive compensation opportunities that are competitive with those of similar enterprises and based on the Company's common stock, the Plan will motivate Participants to continue to provide services and achieve long-range goals, further identify their interests with those of the Company's other shareholders, and promote the long-term financial interest of the Company and its Affiliates, including enhancement of long-term shareholder value. The Plan is also intended to aid in attracting persons of exceptional ability and leadership qualities to become officers, employees, and independent contractors of the Company and its Affiliates.

1.2 Effective Date. The Plan became effective on September 26, 2005, the date on which the Plan was adopted by the Company's Board of Directors (the "Effective Date").

1.3 Term of Plan. The Plan shall be unlimited in duration and, in the event of Plan termination, shall remain in effect as long as any Awards under it are outstanding; provided, however, that no Awards may be granted under the Plan after the ten-year anniversary of the Effective Date (except for Awards granted pursuant to commitments entered into under the Plan prior to such ten-year anniversary).

1.4 Forms of Awards. Awards made under the Plan may be in the form of Incentive Options, Nonqualified Options, or Stock Awards, all as the Committee in its sole discretion shall decide. The terms and conditions of any Award to any Participant shall be reflected in such form of written document as is determined by the Committee. A copy of such document shall be provided to the Participant, and the Committee may, but need not, require that the Participant sign a copy of such document.

ARTICLE II

DEFINITIONS

Capitalized terms not defined elsewhere in the Plan shall have the following meanings (whether used in the singular or plural):

"**Affiliate**" means any corporation, partnership, joint venture or other entity during any period in which at least a 25% voting or profits interest is owned, directly or indirectly, by the Company (or by any entity that is a successor to the Company), and any other business venture designated by the Committee in which the Company (or any entity that is a successor to the Company) has a significant interest, as determined in the discretion of the Committee. An entity shall be deemed an Affiliate of the Company for purposes of this definition only for such periods as the requisite ownership or control relationship is maintained.

"**Agreement**" means a written agreement between a Participant and the Company which sets out the terms of the grant of an Option or Stock Award, as described in Section 1.4, as any such Agreement may be supplemented or amended from time to time.

"**Award**" means any award or benefit granted under the Plan, including, without limitation, Options and Stock Awards.

"**Beneficiary**" means the person, persons, trust or trusts which have been designated by an Optionee in his most recent written beneficiary designation filed with the Company to receive the benefits specified

under the Plan upon his death, or, if there is no designated Beneficiary or surviving designated Beneficiary, then the person, persons, trust or trusts entitled by will or the laws of descent and distribution to receive such benefits.

"**Board**" means the Board of Directors of the Company.

"**Code**" means the Internal Revenue Code of 1986, as amended from time to time, or any successor statute or statutes thereto. Reference to any specific Code section shall include any successor section.

"**Committee**" means the committee of the Board appointed or designated pursuant to Section 3.1 to administer the Plan in accordance with its terms.

"**Company**" means MISONIX, INC. and any successor entity.

"**Consultant**" means any person who is engaged by the Company or any Affiliate to render consulting or advisory services, in a capacity other than that of an Employee or Director, and is compensated for such services.

"**Date of Grant**" means the date on which the Committee determines the terms of an Award to a specified Eligible Individual, including, in the case of an Option, the number of Shares subject to the Option and the applicable Exercise Price.

"**Director**" means a duly elected member of the Company's Board of Directors.

"**Disability**" means a Participant is qualified for long-term disability benefits under the applicable health and welfare plan of the Company, or if no such benefits are then in existence, that the Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which, in the opinion of a physician selected by the Committee, can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than six months.

"**Eligible Individual**" means an Employee and Consultant, whether or not a resident alien of the United States, who is described in Section 5.1.

"**Employee**" means a common law employee (as defined in accordance with the Regulations and Revenue Rulings then applicable under Section 3401(c) of the Code) of the Company or any Affiliate of the Company. The term "Employee" will also include an individual who is granted an Award, in connection with his hiring by the Company or any Affiliate, prior to the date the individual first becomes an Employee, but if and only if such Award does not vest prior to the date the individual first becomes an Employee.

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended from time to time, or any successor statute or statutes thereto. Reference to any specific Act section shall include any successor section.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended from time to time, or any successor statute or statutes thereto. Reference to any specific Exchange Act section shall include any successor section.

"**Executive Officer**" means an Employee who is subject to the provisions of Section 16b of the Exchange Act.

"**Exercise Price**" means the price that must be paid by an Optionee upon exercise of an Option to purchase a share of Stock.

"**Fair Market Value**" of a Share of Stock means the fair market value of such Stock determined by such methods or procedures as shall be established from time to time by the Committee. Unless otherwise determined by the Committee, the per share Fair Market Value of Stock as of a particular date shall mean the average of the high and low sales price per share of Stock on the principal exchange or market on which the Stock is then listed for the last preceding date on which there was a sale of such Stock on such exchange or market.

"**Incentive Option**" means an option granted under this Plan that is both intended to and qualifies as an incentive stock option under Section 422 of the Code.

"**Independent Auditor**" means the certified public accounting firm that has been retained by the Audit Committee of the Board (or its functional equivalent) to opine on the interim or annual financial statements of the Company.

"**Named Executive Officer**" means an Executive Officer whose compensation is subject to the potential tax deduction disallowance provisions of Section 162(m) of the Code.

"**Nonqualified Option**" means an option granted under this Plan that either is not intended to be or is not denominated as an Incentive Option, or that does not qualify as an incentive stock option under Section 422 of the Code.

"**Option**" means a Nonqualified Option or an Incentive Option.

"**Optionee**" means an Eligible Individual of the Company or a Subsidiary who has received an Option under this Plan, for the period of time during which such Option is held in whole or in part.

"**Option Shares**" means, with respect to any Option granted under this Plan, the Stock that may be acquired upon the exercise of such Option.

"**Participant**" means an Eligible Individual who has received an Option or a Stock Award under this Plan.

"**Plan**" means this MISONIX, INC. 2005 Equity Incentive Plan, as amended from time to time.

"**Retirement**" means retirement, as determined by the Committee in its sole discretion. Such term shall be applicable only to Participants who are Employees.

"**Secretary**" means the secretary of the Company or his designee.

"**Shares**" or "**Stock**" mean shares of common stock of the Company.

"**Stock Award**" means an Award consisting of either Shares of Stock or a right to receive Shares in the future, each pursuant to Article VIII of the Plan.

"**Subsidiary**" of the Company means any present or future subsidiary (as that term is defined in Section 424(f) of the Code) of the Company. An entity shall be deemed a Subsidiary of the Company for purposes of this definition only for such periods as the requisite ownership or control relationship is maintained.

"**Termination of Service, Terminate or Termination**" occurs when a Participant ceases to be an Employee of, or ceases to provide services as a Consultant to, the Company and its Affiliates, as the case may be, for any reason (including by reason of an Affiliate ceasing to be an Affiliate by reason of disposition or otherwise).

"**Vested, Vest and Vesting**" means, with respect to all or a portion of any Stock Award or Option, that legal ownership of such Stock Award or Option is not subject to forfeiture by the Participant pursuant to the provisions of Article IX in the event the Participant Terminates Service with the Company or any Affiliate (other than for Cause), and with respect to an Option, that the Option may be exercised.

"**Vesting Date**" with respect to any Award granted hereunder means the date on which such Award becomes Vested, as designated in or determined in accordance with the Agreement with respect to such Award (subject to the terms of the Plan). If more than one Vesting Date is designated for an Award, reference in the Plan to a Vesting Date in respect of such Award shall be deemed to refer to each part of such Award and the Vesting Date for such part.

ARTICLE III

ADMINISTRATION

3.1 Committee. The Plan shall be administered by a Committee of the Board consisting of all of the independent members of the Board unless a different committee is appointed by the Board.

3.2 Powers of Committee. The Committee's administration of the Plan shall be subject to the following:

3.2.a. Subject to the provisions of the Plan, the Committee will have the authority and discretion to select from among the Eligible Individuals those persons who shall receive Awards, to determine the time or times of receipt, to determine the types of Awards and the number of Shares covered by the Awards, to establish the terms, conditions, performance criteria, restrictions, and other provisions of such Awards, and, subject to the restrictions of Article XII, to cancel or suspend Awards.

3.2.b. To the extent that the Committee determines that the restrictions imposed by the Plan preclude the achievement of the material purposes of the Awards in jurisdictions outside the United States, the Committee will have the authority and discretion to modify those restrictions as the Committee determines to be necessary or appropriate to conform to applicable requirements or practices of those jurisdictions.

3.3 Information to be Furnished to Committee. The Company and its Affiliates shall furnish the Committee with such data and information as the Committee determines may be required for it to discharge its duties. The records of the Company and its Affiliates as to an Employee's or Participant's employment (or other provision of services), Termination of Service, leave of absence, reemployment (or return to service) and compensation shall be conclusive on all pe