

MICRON SOLUTIONS INC /DE/  
Form PRE 14A  
March 29, 2019

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a)  
of the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Under §240.14a-12

MICRON SOLUTIONS, INC.

(Name of Registrant as Specified in its Charter)

N/A

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

Payment of Filing Fee (Check the appropriate box):

No fee required

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

- 1) Title of each class of securities to which transaction applies:
- 2) Aggregate number of securities to which transaction applies:
- 3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
- 4) Proposed maximum aggregate value of transaction:
- 5) Total fee paid:

Fee paid previously with preliminary materials.

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

- 1) Amount previously paid:
- 2) Form, Schedule or Registration Statement No.:
- 3) Filing Party:
- 4) Date Filed:

To the Stockholders of Micron Solutions, Inc.:

You are cordially invited to attend the Annual Meeting of Stockholders of Micron Solutions, Inc., on Thursday, May 23, 2019. The Annual Meeting will begin at 10:00 a.m. local time at the DoubleTree by Hilton, 99 Erdman Way, Leominster, Massachusetts.

We are pleased to again be using the U.S. Securities and Exchange Commission rule that allows us to furnish our proxy materials over the Internet. As a result, we are mailing our stockholders a Notice of Internet Availability ("Notice") instead of paper copies of our Proxy Statement and 2018 Annual Report on Form 10-K. The Notice contains instructions on how to access these documents via the Internet. The Notice also contains instructions on how you can receive a paper copy of our proxy materials, including this Proxy Statement, our 2018 Annual Report on Form 10-K and a proxy card. Stockholders who request paper copies of proxy materials will receive them by mail. This process will conserve natural resources and reduce the costs of printing and distributing our proxy materials to our stockholders.

Because it is important that your shares be voted at the Annual Meeting, we urge you to complete, date and sign a proxy card and return it as promptly as possible, whether or not you plan to attend in person. If you are a stockholder of record and do attend the annual meeting and wish to vote your shares in person, even after returning your proxy, you still may do so.

We appreciate your continued support of and interest in Micron Solutions, Inc.

We look forward to seeing you in Fitchburg, Massachusetts on May 23, 2019.

Very truly yours,

By: /s/ Jason R. Chambers

Jason R. Chambers

Chairman of the Board

April 12, 2019

MICRON SOLUTIONS, INC.

25 Sawyer Passway

Fitchburg, MA 01420

## NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To be held Thursday, May 23, 2019

### TO THE STOCKHOLDERS OF MICRON SOLUTIONS, INC.:

NOTICE IS HEREBY GIVEN that the 2019 Annual Meeting of Stockholders of Micron Solutions, Inc., a Delaware corporation (the "Company"), will be held at the DoubleTree by Hilton, 99 Erdman Way, Leominster, Massachusetts, on Thursday, May 23, 2019, at 10:00 a.m., local time, for the following purposes, as described in our Proxy Statement:

1. To re-elect two Class III directors to hold office for three years until the 2022 annual meeting and until their successors are duly elected and qualified.
2. To approve the non-binding advisory vote on executive compensation ("say-on-pay").
3. To approve the advisory vote on the frequency of the advisory vote on executive compensation ("say-on-pay" votes).
4. To approve the adoption of the 2019 Equity Incentive Plan.
5. To ratify the appointment of Wolf & Company, P.C. as the Company's independent registered public accounting firm.
6. To consider and vote on a proposal to authorize the Board of Directors to adjourn the Annual Meeting to a later date or dates, if necessary, to allow time for further solicitation of proxies, in the event there are insufficient votes present in person or represented by proxy at the Annual Meeting to approve the proposals.
7. To transact any other business which may properly be brought before the Annual Meeting or any adjournment or postponement thereof.

All stockholders are cordially invited to attend the Annual Meeting of Stockholders. Only stockholders of record of the Company at the close of business on April 1, 2019 are entitled to notice of and to vote at the Annual Meeting or any adjournment or postponement thereof. A complete list of these stockholders will be open for the examination of any stockholder during ordinary business hours at the Company's principal executive offices located at 25 Sawyer Passway, Fitchburg, Massachusetts for a period of ten days prior to the Annual Meeting. The list will also be available for the examination of any stockholder present at the Annual Meeting.

If you are a holder of record and plan to attend the Annual Meeting in person, please bring photo identification. If your shares are held in the name of a broker, bank or other nominee, please bring with you photo identification and a letter from the broker or other nominee confirming your ownership as of the record date. If you wish to vote your shares at the meeting, the broker, bank or other nominee must provide you with a proxy or power of attorney.

Your vote is important. Your prompt response will also help reduce proxy costs and will help you avoid receiving follow-up telephone calls or mailings. Please vote as soon as possible. Also, the Company has elected to take advantage of the Securities and Exchange Commission rules that allow the Company to furnish proxy materials to you

and other stockholders on the Internet.

By Order of the Board of Directors,  
MICRON SOLUTIONS, INC.  
/s/ Derek T. Welch  
Derek T. Welch  
Secretary

Fitchburg, Massachusetts

April 12, 2019

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDER MEETING TO BE HELD ON MAY 23, 2019, THE PROXY STATEMENT AND ANNUAL REPORT ARE AVAILABLE AT [WWW.CSTPROXY.COM/MICRONSOLUTIONSINC/2019](http://WWW.CSTPROXY.COM/MICRONSOLUTIONSINC/2019).

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MICRON SOLUTIONS, INC.

PROXY STATEMENT

FOR

ANNUAL MEETING OF STOCKHOLDERS

To be held May 23, 2019

INFORMATION ABOUT THE ANNUAL MEETING AND VOTING

WHY DID YOU FURNISH ME WITH THIS PROXY STATEMENT?

This proxy statement is furnished in connection with the solicitation of proxies by the Board of Directors of Micron Solutions, Inc., a Delaware corporation (the "Company"), for use at the Annual Meeting of the Company's stockholders to be held at the DoubleTree by Hilton, 99 Erdman Way, Leominster, Massachusetts, on Thursday, May 23, 2019 at 10:00 a.m., local time, and at any adjournments or postponements of the Annual Meeting. This proxy statement summarizes the information you need to make an informed vote on the proposals to be considered at the Annual Meeting. However, you do not need to attend the Annual Meeting to vote your shares. Instead, you may simply access your proxy card and vote on the Internet.

WHY ARE YOU MAKING THESE MATERIALS AVAILABLE OVER THE INTERNET RATHER THAN MAILING THEM?

Under the "Notice and Access Rule" that the Securities and Exchange Commission (the "SEC") has adopted, we are again this year furnishing proxy materials to our stockholders on the Internet rather than mailing printed copies of those materials to each stockholder. This will help us conserve natural resources and it will save postage, printing and processing costs. If you received a Notice of Internet Availability of Proxy Materials by mail, you will not receive a printed copy of our proxy materials unless you specifically request one. Instead, the Notice of Internet Availability will instruct you on how to (1) access and review the Company's proxy materials on the Internet and (2) access your proxy card to vote on the Internet. We anticipate that we will mail the Notice of Internet Availability to our stockholders on or about April 12, 2019.

The Proxy Materials are available at [www.CSTPROXY.COM/MICRONOLUTIONSINC/2019](http://www.CSTPROXY.COM/MICRONOLUTIONSINC/2019). Enter the 12-digit control number located on the Notice of Internet Availability, proxy card or voter instruction form.

HOW CAN I HAVE PRINTED COPIES OF THE PROXY MATERIALS MAILED TO ME?

Instructions for requesting a paper copy of the proxy materials are set forth on the Notice of Internet Availability of Proxy Materials.

WHAT PROPOSALS WILL BE ADDRESSED AT THE ANNUAL MEETING?

The following proposals will be addressed at the Annual Meeting:

1. The re-election of two Class III directors to serve for three years, as identified below;



2. To approve the non-binding advisory vote on executive compensation ("say-on-pay");
3. To approve the advisory vote on the frequency of the advisory vote on executive compensation ("say-on-pay" votes);
1. To approve the adoption of the Company's 2019 Equity Incentive Plan;
2. The ratification of the appointment of Wolf & Company, P.C. as the Company's independent registered public accounting firm;
3. The authorization to adjourn the Annual Meeting to a later date or dates if there are insufficient votes to approve the proposals; and
4. To transact such other business as may properly come before the Annual Meeting or any adjournment or postponement of the Annual Meeting.

Our Board of Directors has taken affirmative action with respect to each of the foregoing proposals and recommends that the stockholders vote in favor of each proposal.

#### WHO MAY VOTE ON THESE PROPOSALS?

Stockholders who owned shares of the Company's voting stock at the close of business on April 1, 2019 (the "Record Date") are entitled to vote at the Annual Meeting on all matters properly brought before the Annual Meeting.

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On the Record Date, the Company had 2,872,208 shares of issued and outstanding common stock, par value \$0.01 per share ("Common Stock").

### HOW MANY VOTES DO I HAVE?

Each share of Common Stock is entitled to one vote on each matter presented at the Annual Meeting.

### WHAT IS THE DIFFERENCE BETWEEN HOLDING SHARES AS A STOCKHOLDER OF RECORD AND AS A BENEFICIAL OWNER?

#### Stockholder of Record

If, on the Record Date, your shares were registered directly in your name with our transfer agent, Continental Stock Transfer & Trust Company, you are a "stockholder of record" who may vote at the Annual Meeting. As the stockholder of record you have the right to direct the voting of your shares via the Internet, to return a proxy card to us or to vote in person at the Annual Meeting. Whether or not you plan to attend the Annual Meeting, please vote via the Internet or complete, date and sign a proxy card to ensure that your vote is counted.

#### Beneficial Owner

If, on the Record Date, your shares were held in an account at a brokerage firm or at a bank or other nominee holder, you are considered the beneficial owner of shares held "in street name." Your broker or nominee is considered the stockholder of record for purposes of voting at the Annual Meeting. As the beneficial owner, you have the right to instruct your broker, bank, or nominee how to vote your shares by using any voting instruction card supplied by them or by following their instructions for voting by telephone, online, or in person. However, since you are not the stockholder of record, you may not vote these shares in person at the Annual Meeting unless you receive a valid proxy from your brokerage firm, bank or other nominee holder. To obtain a valid proxy, you must make a special request of your brokerage firm, bank or other nominee holder.

### HOW DOES THE BOARD RECOMMEND THAT I VOTE?

The Board recommends that stockholders vote "FOR" each of the two Class III nominees for director, "FOR" the non-binding advisory proposal regarding the Company's executive compensation, "FOR" the option that the say-on-pay proposal be considered every two years, "FOR" the adoption of the 2019 Equity Incentive Plan, "FOR" the ratification of the appointment of Wolf & Company, P.C. as the Company's independent registered public accounting firm, and "FOR" the authorization to adjourn the Annual Meeting to a later date or dates if there are insufficient votes present in person or represented by proxy at the Annual Meeting to approve the proposals.

### WHAT IS THE QUORUM REQUIREMENT?

A quorum of stockholders is necessary to hold a valid meeting. A quorum will be present if at least a majority of the outstanding shares are represented by stockholders present at the Annual Meeting or by proxy. On the Record Date, there were 2,872,208 shares outstanding and entitled to vote. Thus, 1,436,105 shares must be represented by stockholders present at the meeting or by proxy to have a quorum.

Your shares will be counted towards the quorum only if you submit a valid proxy (or one is submitted on your behalf by your broker, bank or other nominee) or if you vote in person at the Annual Meeting. Abstentions and broker

non-votes will be counted towards the quorum requirement. A broker non-vote occurs when a broker holding shares for a beneficial owner votes on one proposal but does not vote on another proposal because, in respect of such other proposal, the broker does not have discretionary voting power and has not received instructions from the beneficial owner. If there is no quorum, a majority of the votes present at the meeting may adjourn the meeting to another date.

#### WHY WOULD THE ANNUAL MEETING BE ADJOURNED?

The Annual Meeting may be adjourned if a quorum is not present or to allow time for further solicitation of proxies in the event there are insufficient votes present in person or represented by proxy to approve the proposals.

For purposes of determining whether the stockholders have approved matters other than the election of directors, the advisory vote on executive compensation, and the frequency of the advisory vote on compensation, abstentions are treated as shares present or represented and voting, so abstaining has the same effect as a negative vote. Shares held by brokers who do not have discretionary authority to vote on a particular matter and who have not received voting instructions from their customers are not counted or deemed to be present or represented for the purpose of determining whether stockholders have approved that matter, but they are counted as present for the purpose of determining the existence of a quorum at the Annual Meeting.

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### HOW DO I VOTE BY PROXY?

If you hold shares directly as the stockholder of record, you may direct how your shares are voted without attending the Annual Meeting. Such stockholders may deliver their proxies either:

1. Electronically over the Internet as outlined in the Notice of Internet Availability; or
2. By requesting, completing and submitting a properly signed paper proxy card as outlined in the Notice of Internet Availability; or
3. If you are a beneficial owner of shares held in street name, you may vote by proxy via the Internet by following the instructions provided by your brokerage firm, bank, broker-dealer or other similar organization that holds your shares.

Returning the proxy card will not affect your right to attend the Annual Meeting and vote in person as described elsewhere herein. If you properly fill in your proxy card and send it to us in time to vote, your proxy (one of the individuals named on your proxy card) will vote your shares as you have directed. If you sign the proxy card but do not make specific choices, your proxy will vote your shares as recommended by the Board of Directors as follows:

1. FOR each of the two Class III directors identified below;
2. FOR the non-binding advisory proposal regarding the Company's executive compensation ("say-on-pay");
3. FOR the option that the non-binding say-on-pay proposal be considered every two years ("say-on-pay" frequency vote);
1. FOR the adoption of the 2019 Equity Incentive Plan;
2. FOR the ratification of the appointment of Wolf & Company, P.C. as the Company's independent registered public accounting firm; and
3. FOR the authorization to adjourn the Annual Meeting to a later date or dates if there are insufficient votes present in person or represented by proxy at the Annual Meeting to approve the proposals.

If any other matters are presented, your proxy will vote in accordance with his or her best judgment. At the time this proxy statement was finalized, we knew of no matters that needed to be acted on at the Annual Meeting other than those discussed in this proxy statement.

### HOW DO I VOTE IN PERSON?

If you are a stockholder of record (i.e., you own the shares directly in your name) and plan to attend the Annual Meeting, you may attend and vote in person on May 23, 2019, or at a later date if the meeting is adjourned or postponed to a later date, as long as you present valid proof of identification at the meeting. We will give you a ballot when you arrive. However, if your shares are held in the name of your broker, bank or other nominee, in addition to identification, you must bring proof of beneficial ownership in order to attend the meeting, which generally can be obtained from the record holder. In that event, you must also obtain a proxy or a power of attorney executed by the broker, bank or other nominee that owns the shares of record for your benefit and authorizing you to vote the shares at the meeting.

### MAY I REVOKE MY PROXY?

If you give a proxy, you may revoke it at any time before it is exercised. You may revoke your proxy in three ways:

1. You may send in another proxy with a later date;
2. You may notify the Company in writing (by you or your attorney authorized in writing, or if the stockholder is a corporation, under its corporate seal, by an officer or attorney of the corporation) at our principal executive offices

before the Annual Meeting, that you are revoking your proxy; or  
3. You may vote in person at the Annual Meeting.

**WHAT VOTE IS REQUIRED TO APPROVE EACH PROPOSAL?**

Proposal 1: Election of Directors.

The election of directors shall be determined by a plurality of the votes cast by the stockholders. Therefore, a nominee who receives a plurality means he has received the highest number of votes “for” his election than any other nominee for the same director's seat will be elected.

Proposal 2: Non-binding Advisory Vote on Executive Compensation.

The approval of Proposal 2, the advisory vote on executive compensation, requires the affirmative vote of the holders of a majority of the shares of Common Stock present or represented by proxy at the Annual Meeting and entitled to vote on the matter.

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Proposal 3: Advisory Vote on Frequency of the Advisory Vote on Executive Compensation.

With respect to Proposal 3, the advisory vote on the frequency of the advisory vote on executive compensation, stockholders may vote to conduct a say on pay proposal every one year, every two years or every three years, or may abstain from voting. Proposal 3 will be decided by a plurality of the votes cast.

Proposal 4: Approval of the adoption of the 2019 Equity Incentive Plan.

The approval of Proposal 4, the adoption of the 2019 Equity Incentive Plan, requires the affirmative vote of the holders of a majority of the shares of Common Stock present or represented by proxy at the Annual Meeting and entitled to vote on the matter.

Proposal 5: Ratification of independent registered public accounting firm.

The approval of Proposal 5, the ratification of the appointment of our independent registered public accounting firm, requires the affirmative vote of the holders of a majority of the shares of Common Stock present or represented by proxy at the Annual Meeting and entitled to vote on the matter.

Proposal 6: Adjournment of the Annual Meeting.

The approval of Proposal 6, the adjournment of the Annual Meeting, requires the affirmative vote of the holders of a majority of the shares of Common Stock present or represented by proxy at the Annual Meeting and entitled to vote on the matter.

HOW ARE VOTES COUNTED?

Proposal 1: You may either vote “FOR” or “WITHHOLD” authority to vote for each of the nominees for the Board of Directors. Shares present at the meeting or represented by proxy where the shareholder properly withholds authority to vote for such nominee and broker non-votes will not be counted toward such nominee's achievement of a plurality.

Proposal 2: You may vote “FOR,” “AGAINST” or “ABSTAIN” on the non-binding, advisory vote on the compensation of our named executive officers. If you abstain from voting on the non-binding, advisory vote on the compensation of our named executive officers, your vote will have the same effect as a vote against the proposal. Broker non-votes will have no effect on the vote for this proposal.

Proposal 3: You may vote for “ONE YEAR,” “TWO YEARS,” “THREE YEARS” OR “ABSTAIN” on the non-binding, advisory vote on the frequency of the advisory vote on compensation for our named executive officers. Abstentions and broker non-votes will have no effect on the vote for this proposal.

Proposal 4: You may vote “FOR,” “AGAINST” or “ABSTAIN” on the proposal to approve the adoption of the 2019 Equity Incentive Plan. If you abstain from voting on the proposal to approve the adoption of the 2019 Equity Incentive Plan, your vote will have the effect of a vote against the proposal. Broker non-votes will have no effect on the vote for this proposal.

Proposal 5: You may vote “FOR,” “AGAINST” or “ABSTAIN” on the ratification of Wolf & Company, P.C. If you abstain from voting on the proposal to ratify Wolf & Company, P.C., your vote will have the same effect as a vote against the proposal. Brokers, bankers and other nominees have discretionary voting power on this routine matter and,

accordingly, broker non-votes will have no effect on the vote for this proposal.

Proposal 6: You may vote “FOR,” “AGAINST” or “ABSTAIN” on the proposal to authorize adjournment of the Annual Meeting. If you abstain from voting on the proposal to authorize adjournment of the Annual Meeting, your vote will have the effect of a vote against the proposal. Broker non-votes will have no effect on the vote for this proposal.

**ARE THERE ANY DISSENTERS' RIGHTS OF APPRAISAL?**

The Board of Directors is not proposing any action for which the laws of the State of Delaware, the Company’s Certificate of Incorporation or the By-laws provide a right of a stockholder to dissent and obtain appraisal of or payment for such stockholder's shares.

**WHO BEARS THE COST OF SOLICITING PROXIES?**

The Company will bear the cost of soliciting proxies in the accompanying form and will reimburse brokerage firms and others for expenses involved in forwarding proxy materials to beneficial owners or soliciting their execution.

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WHERE ARE THE COMPANY'S PRINCIPAL EXECUTIVE OFFICES?

The Company's principal executive offices are located at 25 Sawyer Passway, Fitchburg, Massachusetts and the Company's telephone number is (978) 345-5000.

HOW CAN I OBTAIN ADDITIONAL INFORMATION ABOUT THE COMPANY?

The Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2018, has been made available on the Internet to all stockholders entitled to vote at the Annual Meeting and who received the Notice of Internet Availability. It is also posted on the Company's corporate website at [www.micronsolutionsinc.com](http://www.micronsolutionsinc.com). Additional copies will be furnished without charge to stockholders upon written request. Exhibits to the Form 10-K will be provided upon written request and payment of an appropriate fee. All written requests should be directed to Micron Solutions, Inc., Attn: Secretary of the Company, 25 Sawyer Passway, Fitchburg, Massachusetts 01420.

The Company is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act") which requires that the Company file reports, proxy statements and other information with the SEC. The SEC maintains a website on the Internet that contains reports, proxy and information statements and other information regarding registrants, including the Company, that file electronically with the SEC. The SEC's website address is <http://www.sec.gov>. You may obtain information about the operation of the public reference room by calling the SEC at 1-202-551-8090.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Beneficial Owners of at Least Five Percent of our Common Stock

The following table shows, to the best of our knowledge, all persons we know to be beneficial owners of five percent or more of the voting securities of the Company as of the Record Date.

Name and Address of Beneficial Owner	Common Stock		
	Beneficially Owned(1)	Percent of Class(1)	
REF Securities & Co. Rodd Friedman 12 South Main Street, Suite 203 Norwalk, CT 06854	332,227	(2)	11.6%
Chambers Medical Foundation Edwin K. Hunter, Trustee 1807 Lake Street Lake Charles, LA 70601	296,268	(3)	10.3%
Andrei Soran MLPF&S Cust FPO Andrei Soran IRA FBO Andrei Soran	183,924	(4)	6.4%



The Andrei Soran Trust, Andrei Soran Trustee, Ilana Soran, Trustee,  
11/15/2013

27 Lothrop Street  
Newton, MA 02460

Jason R. Chambers  
1266 West Paces Ferry RD, NW  
Suite 461  
Atlanta, GA 30327

166,854 (5) 5.8%

- (1) Unless otherwise noted in these footnotes, the Company believes that all shares referenced in this table are owned of record by each person named as beneficial owner and that each person has sole voting and dispositive power with respect to the shares of Common Stock owned by each of them. In accordance with Rule 13d-3 under the Exchange Act, each person's percentage ownership is determined by assuming that the options and warrants to purchase common stock that are held by that person, and which are exercisable within 60 days, have been exercised.
- (2) Rodd E. Friedman, the managing partner and majority owner of REF Securities, has sole voting and dispositive power over 332,227 shares of common stock including the 296,986 held in the name of REF Securities.
- (3) Based on information included in a Schedule 13D/A filed with the SEC on September 21, 2011, by the Chambers Medical Foundation ("Foundation"), such Trustee has sole voting and dispositive power with respect to 276,268 shares of common stock. In addition, in October 2014, the Foundation exercised warrants to purchase 20,000 shares of the Company's common stock held by it.
- (4) Of the 183,924 shares, 68,100 shares are held by MLPFS Cust FBO Andrei Soran IRA, a self-directed IRA and 115,824 shares are held in The Andrei Soran Trust, Andrei Soran Trustee, Ilana Soran, Trustee, November 15, 2013. Mr. Soran holds sole voting and dispositive powers to all 183,924 shares.

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- (5) Based on information in a Form 4/A filed on March 26, 2019 Mr. Chambers holds sole voting and dispositive powers to 139,354 shares. Additionally, Mr. Chambers holds 27,500 options to purchase common stock.

## Security Ownership of Directors and Executive Officers

The following table shows the securities owned by each director and director nominee, the Named Executive Officers as defined below, and by all of the current executive officers and directors as a group as of the Record Date.

Name and Address of Beneficial Owner	Common Stock		
	Beneficially Owned(1)		Percent of Class(1)
Rodd E. Friedman	332,227	(2)	11.6%
Andrei Soran	183,924	(3)	6.4%
Jason R. Chambers	166,854	(4)	5.8%
Derek T. Welch	36,476	(5)	1.3%
Robert A. Mello	30,988	(6)	1.1%
Marco F. Benedetti	19,600	(6)	*%
William J. Laursen	—		*%
All Executive Officers and Directors as a Group (7 Persons)	770,069	(7)	26.1%

\*Less than 1%

- (1) Unless otherwise noted in these footnotes, the Company believes that all shares referenced in this table are owned by each person named as beneficial owner and that each person has sole voting and dispositive power with respect to the shares of Common Stock owned by each of them. In accordance with Rule 13d-3 under the Exchange Act, each person's percentage ownership is determined by assuming that the options and warrants to purchase common stock that are held by that person, and which are exercisable within 60 days, have been exercised. The address of all persons listed above is c/o Micron Solutions, Inc., 25 Sawyer Passway, Fitchburg, MA 01420.
- (2) Rodd E. Friedman, the managing partner and majority owner of REF Securities, has sole voting and dispositive power over 332,227 shares of common stock including the 296,986 held in the name of REF Securities.
- (3) Of the 183,924 shares, 68,100 shares are held by MLPFS Cust FBO Andrei Soran IRA, a self-directed IRA and 115,824 shares are held in The Andrei Soran Trust, Andrei Soran Trustee, Ilana Soran, Trustee, November 15, 2013. Mr. Soran holds sole voting and dispositive powers to all 183,924 shares.
- (4) Includes 27,500 shares issuable upon exercise of options.
- (5) Includes 34,666 shares issuable upon exercise of options.
- (6) Includes 7,500 shares issuable upon exercise of options.
- (7) Includes 77,166 shares of the Company's common stock that executive officers and directors have the right to acquire upon exercise of stock options and warrants that are currently exercisable or exercisable within 60 days of the Record Date.

## Securities Authorized for Issuance under Equity Compensation Plans

The following table provides information, as of December 31, 2018, with respect to our equity compensation plans:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for exercise under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	(1) 393,500	\$ 4.89	31,631
Equity compensation plans not approved by security holders	—	—	—
Total	393,500	\$ 4.89	31,631

(1) 2010 Equity Incentive Plan approved by stockholders at the 2010 annual meeting.

#### Section 16(a) Beneficial Ownership Reporting Requirements

Section 16(a) of the Exchange Act requires the Company's executive officers and directors, and persons who own more than ten percent of any publicly traded class of the Company's equity securities, to file reports of ownership and changes in ownership of equity securities of the Company with the SEC and the New York Stock Exchange. Officers, directors, and greater-than-ten-percent stockholders are required by the SEC's regulations to furnish the Company with copies of all Section 16(a) forms that they file.

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Based solely upon a review of Forms 3 and Forms 4 furnished to the Company during the most recent fiscal year, and Forms 5 with respect to its most recent fiscal year, the Company believes that all such forms required to be filed pursuant to Section 16(a) of the Exchange Act were timely filed, as necessary, by the executive officers, directors, and security holders required to file the same during the fiscal year ended December 31, 2018 except that each of Messrs. Chambers, Mello, Soran and Benedetti had one Form 4 filing that was filed tardy, each with respect to one transaction. Additionally, Mr. Soran has one Form 4 filing that was filed tardy, with respect to four transactions.

## INFORMATION ABOUT DIRECTORS AND EXECUTIVE OFFICERS

## Directors and Executive Officers

The current directors and executive officers of the Company are as follows:

Name	Age	Title
Jason R. Chambers	41	Chairman of the Board
William J. Laursen	49	President, Chief Executive Officer and Director
Marco F. Benedetti	59	Director
Rodd E. Friedman	53	Director
Robert A. Mello	65	Director
Andrei Soran	59	Director
Derek T. Welch	50	Chief Financial Officer, Treasurer and Secretary

Set forth below are descriptions of the backgrounds of the executive officers and directors of the Company and their principal occupations for the past five years.

Jason R. Chambers. Mr. Chambers has served as a director of the Company since 2006. He has served as Chairman of the Board since July 2016. Mr. Chambers has served as President of Mountain Brook Water, a water bottling and distribution company, from 2002 to present, and from 2001 to present has served as a consultant assisting The Chambers Medical Foundation, a private foundation (the "Foundation"), in assessing medical grant applications. Mr. Chambers was appointed Trustee of the Foundation in 2011. The Foundation beneficially owns approximately 10% of the Company's outstanding common stock. Mr. Chambers holds a Bachelor of Science degree from Vanderbilt University School of Engineering and a Masters of Business Administration degree from Owen Graduate School of Management, Vanderbilt University with a concentration in finance and marketing. Mr. Chambers is also a Dana-Farber Cancer Institute Hematologic Oncology visiting committee member and a member of Vanderbilt's School of Engineering Board of Visitors.

Mr. Chambers brings over 15 years of practical business and finance experience as the president of a growing enterprise along with knowledge of and relationships with the medical community through his non-profit activities. His advanced degree in business administration and finance experience qualify him to serve on the Company's Audit Committee.

William J. Laursen. Mr. Laursen has served as the Company's President, Chief Executive Officer and Director since November 28, 2018. He was formerly engaged from January 2012 to November 2018 as the Executive Vice President, Sales and Strategy of The Coghlin Companies, Inc., a privately held, time to market services company, offering engineering, prototyping and contract manufacturing of complex electro-mechanical and electro-optical devices and equipment for a variety of markets including military and medical devices. From April 2003 until October 2009 Mr. Laursen served as President and BOA member for M2 America Corp. and engineering and manufacturing firm focused on Optical media manufacturing equipment. Since 2009, Mr. Laursen has also been a principal of MAKES, LLC, a project oriented company that provides strategic planning, business development and systems implementation.

Mr. Laursen brings over 25 years of experience focused on innovation in highly automated manufacturing environments in many industries such as medical devices, instrumentation, plastics, consumables and consumer products as well as experience in contract manufacturing. His expertise in business development, sales and marketing, strategic development and operations make him well suited to serve as a member of the Board of Directors. As the only management representative on the Company's Board, Mr. Laursen provides an insider's perspective to the Board about operations and strategy of the Company.

Marco F. Benedetti. Mr. Benedetti has served as a director since July 2015. Mr. Benedetti is currently Vice President for Business & Finance and Treasurer of Canisius College, a private college based in western New York with 4,000 full time students and a \$100 million annual operating budget. Prior to joining Canisius College in 2013, Mr. Benedetti served nearly ten years at Greatbatch, Inc., a publicly-traded global manufacturer of components for medical devices for a variety of applications. He held a number of senior financial roles there, including Vice President of Finance - Financial Planning and Analysis, Investor Relations and Treasurer. Before that, Mr. Benedetti held senior finance positions at Ashton-Potter, U.S.A. LTD and International Imaging Materials, Inc. Mr. Benedetti is a certified public accountant and began his career at KPMG, LLP. He received a Masters of Business Administration and a Bachelor of Science in Business Administration from the State University of New York at Buffalo.

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Mr. Benedetti brings over 30 years of financial and operational experience from medical device manufacturing, technology printing and public auditing. During that time, he built and led global operational, accounting and finance teams, directed strategic planning initiatives, analyzed and supported multiple acquisitions, identified growth and efficiency opportunities, and drove financial results. His advanced degree in business administration, and finance experience, qualify him to serve as a member of the Company's Audit Committee.

Rodd E. Friedman. Mr. Friedman has served as a director of the Company since his appointment on July 21, 2017. Mr. Friedman is the founder and managing member of REF Securities & Co. ("REF"), a private investment firm. Mr. Friedman, through REF, has been principally engaged in investing in public and private equities and derivatives since 1991. Prior to founding REF, Mr. Friedman was employed as an options trader at O'Connor and Associates, a market maker on the American Stock Exchange. Mr. Friedman received a Bachelor of Science in Finance from NYU Stern School of Business.

Mr. Friedman brings a background in finance with over 25 years of experience investing in private and publicly traded companies, including conducting due diligence, analyzing financial statements and assessing strategic options, which qualify him to serve as a director of the Company.

Robert A. Mello. Mr. Mello has served as a director since April 2015. Mr. Mello has served as the Vice President and Chief Operating Officer of Advanced Instruments, Inc., a leading supplier of instrumentation for clinical, pharmaceutical, biotechnology and microbiology laboratories around the world, since July 2013. From April 2000 to July 2013, Mr. Mello was employed as Corporate Vice President of IRIS International, Inc. and President of its IRIS Sample Processing division. Iris International is a leading provider of automated urinalysis instrumentation and bench top centrifuge products for use in major medical institutions, commercial laboratories, clinics, doctors' offices and research institutions. From 1988 to 2000, Mr. Mello was an operations executive with bioMerieux, which designs, manufactures and markets medical instruments and consumables, including from 1996 to 2000 as its Vice President of Operations at their Boston Immunodiagnostics facility and Vice President of Disposables Manufacturing-Clinical Microbiology. Prior to joining bioMerieux, Mr. Mello served as Vice President of Operations for Medical & Scientific Designs, Inc., an in-vitro diagnostics company where he was on the founding team in 1983 and as a Senior Technical Support Engineer at Ortho Diagnostics, Inc., a division of Johnson & Johnson. Mr. Mello is affiliated with the Diagnostics Marketing Association (DXMA), American Management Association (AMA), American Production and Inventory Control Society (APICS), and is certified in Production and Inventory Management (CPIM). He received his Management, B.S. degree from Lesley University, and his Electrical Engineering, ASEE degree from Bristol College.

Mr. Mello brings over 35 years of experience in startup and turn around operations for both small entrepreneurial companies and large public corporations in the medical diagnostics industry including instrumentation and consumables. Throughout his career he has directed all aspects of R&D, marketing, sales, manufacturing, engineering, QA/RA, materials, distribution, finance and facilities management. Mr. Mello has broad M&A experience from due diligence through deal negotiation to successful integration.

Andrei Soran. Mr. Soran has served as a director of the Company since December 8, 2017. Currently he serves as CEO of Trident USA Health, the largest provider of mobile diagnostic services in Post Acute Care. The company employs Physicians, Nurse Practitioners, Radiology Technicians, and Phlebotomists providing services at the sites where the patients reside. He served as the CEO of Novaseek Research, Inc. ("Novaseek"), since August 2017. Novaseek is a provider of cloud-based Clinical Data Network for Research ("CDNR") services. Before Novaseek, he served from July, 2016 to July, 2017 as the CEO and from April, 2016 to July, 2016 as the President and Chief Operating Officer of Verity Health Systems, a Redwood City, California multi-facility hospital, and healthcare

network. Mr. Soran previously served from July, 2014 to April, 2016 as COO and Executive VP at Tenet Healthcare Corporation's ("Tenet") Detroit Medical Center. He also served from August, 2013 to June, 2014, as president of Tenet's, Huron Valley-Sinai Hospital, DMC Surgery Hospital. Prior to Tenet, from April, 2006 to June, 2013, Mr. Soran served as CEO of Framingham, Massachusetts based MetroWest Medical Center, a Vanguard Health Systems facility. Vanguard was acquired by Tenet in 2013. Mr. Soran holds a Bachelor degree in Physical Therapy from Tel Aviv University in Israel and a Master's degree in Business Administration and Management from Boston University-Metropolitan College.

Mr. Soran brings over 20 years of experience in hospital operations, strategy and long-term planning, with the medical and medical device community, as well as in corporate financial and operational restructuring and private equity, making him well suited to serve as a director of the Company.

Derek T. Welch. Mr. Welch has served as the Company's Chief Financial Officer since January 2015. Mr. Welch was engaged as Corporate Controller of the Company in January 2013 and appointed Secretary of the Company in March 2013. Mr. Welch was appointed principal financial and accounting officer in September 2013 and was named Chief Financial Officer in January 2015. From September 2010 to December 2012, Mr. Welch served as Assistant Corporate Controller for Alere, Inc., a provider of point-of-care diagnostic and monitoring devices. From February 2007 to September 2010, Mr. Welch was the Assistant Controller of the medical services division of Fresenius Medical Care, a provider of kidney dialysis services. From May 2005 to February 2007, he served as Senior Accounting Manager at Cytoc Corporation (Hologic Inc.), a developer, manufacturer and supplier of diagnostic products, medical imaging systems and surgical products and from December 2002 to May 2005 he served as a Division Controller for Hannaford Supermarkets. Since 2016, he has served on the Board of Trustees of the Sizer School, a North Central Charter Essential School and as

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a member of the Governance Committee. Mr. Welch is a certified public accountant and earned his Bachelor's Degree in Business Administration, with a concentration in accounting, from the University of New Hampshire.

### Director Emeritus

E. P. Marinos. Mr. Marinos served as a director of the Company from 1994 to December 2017 when he was appointed to the non-voting position of Director Emeritus. He served as Chairman of the Board from 2001 to July 2015. From 1995 until 1997, he was President and Chief Executive Officer of the Company. Mr. Marinos was President and Chief Executive Officer of Midcoast Interstate Transmission, Inc. (MIT), an interstate pipeline company, from 1997 until 2001. He also became Corporate Vice President of Administration for Midcoast Energy Resources, Inc. (MRS), MIT's parent company, and President and Chief Executive Officer of Kansas Pipeline Co. a subsidiary of MRS in 1999 and he held those positions until MRS was sold in 2001. From 2009 to 2012, he served as a director of the Bay Area Houston Ballet & Theatre, a non-profit organization. Mr. Marinos holds a B.S. in Business Administration with majors in Finance and Accounting from Wayne State University and is a member of the AICPA.

Paul F. Walter, M.D. Dr. Walter has served as a director of the Company from its founding in 1982 until his retirement in November 2018 when he was appointed to the non-voting position of Director Emeritus. He served as Chairman of the Board from July 2015 to July 2016. Dr. Walter retired from his position as an electrophysiologist and Professor of Medicine at Emory University in 2010, where he served on the faculty since 1980. He specialized in cardiology and clinical electrophysiology. Dr. Walter started the arrhythmia/electrophysiology service at Emory University in 1980. He performed clinical research studies in signal averaged electrocardiography when this test was being developed in the 1980s. He is a graduate of the University of Nebraska, College of Medicine with graduate studies at the University of Michigan.

Dr. Walter has over 35 years' experience on the Company's Board and brings over 50 years of experience in the medical field and community, particularly as it relates to cardiology. His experience on the faculty of Emory University and in-depth knowledge and experience as a physician, uniquely position him to provide valuable insights into innovative products in the medical field as well as markets for such products.

## CORPORATE GOVERNANCE

### The Board of Directors

The Board of Directors oversees the business affairs of the Company and monitors the performance of management. Currently the number of seats on the Board is six. The Company's By-laws further provide that the Board of Directors be divided in three classes serving staggered three year terms with each class to be as nearly equal in number as possible.

Members of the Board of Directors discussed various business matters informally on numerous occasions throughout the year 2018. There were nine formal Board meetings in person or by teleconference during 2018. During 2018, all directors then in office attended at least 75% of the meetings of our Board and Board committees on which they



served. Independent directors meet on a regular basis as often as necessary to fulfill their responsibilities, including at least annually in executive session without the presence of non-independent directors and management.

#### Director Independence

The Company's common stock is listed on the NYSE American stock exchange. The Board considers the status of its members pursuant to the independence requirements set forth in the NYSE American Company Guide and applicable federal securities laws. Under these requirements, the Board undertakes a review at least annually of director independence. During this review, the Board considers transactions and relationships between each director or any member of his immediate family and the Company and its affiliates, if any. The purpose of this review is to determine whether any such relationships or transactions exist that are inconsistent with a determination that the director is independent. The following current directors, Mr. Chambers, Mr. Benedetti, Mr. Friedman, Mr. Mello and Mr. Soran are each "independent" in each case as defined in the NYSE American Company Guide. The members of the Compensation Committee, Audit Committee and Nominating and Corporate Governance Committee are also "independent" for purposes of Section 10A-3 of the Exchange Act and NYSE American listing requirements. The Board bases these determinations primarily on a review of the responses of the directors and executive officers to questions regarding employment and transaction history, affiliations and family and other relationships and on discussions with the directors.

#### Board Leadership Structure and Role in Risk Oversight

The Board of Directors does not have a policy on whether the same person should serve as both the Chief Executive Officer and Chairman of the Board or, if the roles are separate, whether the Chairman should be selected from the non-employee directors or should be an employee. In the event the Chairman of the Board is also the Chief Executive Officer, or is otherwise not an independent

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director, the independent directors shall designate an independent director to serve as the Lead Director. The Board believes that it should have the flexibility to make these determinations at any given point in time in the way that it believes best to provide appropriate leadership for the Company at that time. The current structure is that of separate Chief Executive Officer and Chairman of the Board of Directors. Mr. William J. Laursen serves as the Chief Executive Officer and President and is responsible for day-to-day leadership of the Company. Mr. Jason R. Chambers has served as the Chairman of the Board since June 2, 2016. The Board of Directors believes this is the most appropriate structure for the Company at this time as it recognizes the time, effort and energy that the Chief Executive Officer is required to devote to his position in the current business environment, as well as the commitment required to serve as the Chairman of the Board, particularly as the Board's oversight responsibilities continue to grow.

The Board, either as a whole or through its committees, regularly discusses with management strategic and financial risks and exposures associated with the Company's annual operating budget, their potential impact on the Company and the steps taken to manage them. While the Board of Directors is ultimately responsible for risk oversight at the Company, the Board's committees assist the Board in fulfilling its oversight responsibilities in certain areas of risk. In particular, the Audit Committee focuses on financial and enterprise risk exposures and discusses with management and the independent registered public accounting firm, the Company's policies with respect to risk assessment and risk management, including risks related to financial reporting, tax, accounting, disclosure, internal control over financial reporting, financial policies and credit and liquidity matters. The Audit Committee also assists the Board of Directors in fulfilling its duties and oversight responsibilities relating to the Company's compliance and ethics programs, including compliance with legal and regulatory requirements. The Nominating and Corporate Governance Committee annually reviews the Company's corporate governance guidelines and is responsible for succession planning. Finally, the Compensation Committee assists the Board in fulfilling its oversight responsibilities with respect to the management of risks arising from the Company's compensation policies and programs.

### Attendance Policy

All Board members are strongly encouraged to attend each meeting of the Board and committees on which they serve and be prepared to discuss the business presented. An attendance rate of at least 75% is the minimum acceptable rate of attendance at Board and committee meetings. A Board member's record of attendance will be considered with respect to recommendation of the renewal of a Board term or future assignment to a committee. Directors are strongly encouraged to attend annual meetings. One director then in office attended last year's annual meeting of stockholders.

### Committees of the Board of Directors

The Board of Directors has established the following standing committees, namely, an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee.

**Audit Committee.** The Audit Committee is presently composed of three members of the Board: Mr. Marco F. Benedetti (Chairman) Mr. Robert A. Mello and Mr. Jason R. Chambers. The Audit Committee assists the Board of Directors in the oversight of the audit of the Company's financial statements and the quality and integrity of its accounting, auditing and financial reporting processes. The Audit Committee also has the responsibility of reviewing the qualifications, independence and performance of the Company's independent registered public accounting firm and is responsible for the appointment, retention, oversight and, where appropriate, termination of the independent registered public accounting firm. During fiscal year 2018, the Audit Committee held four meetings. The Board of Directors has determined that each of the members of the Audit Committee meets the criteria for independence under the applicable listing standards of the NYSE American. The Company's Board of Directors has determined that the Audit Committee has two members, each independent, who qualify as an "audit committee financial expert," as defined

by the rules adopted by the SEC, namely, Mr. Benedetti and Mr. Mello. The Board of Directors has adopted a written charter for the Audit Committee, which is reviewed annually by the Audit Committee. The current Audit Committee Charter is available on the Company's web site, namely,

<http://www.micronsolutionsinc.com/investor-relations/corporate-governance/>.

Compensation Committee. The Compensation Committee is presently composed of three members of the Board: Mr. Robert A. Mello (Chairman), Mr. Andrei Soran and Mr. Rodd E. Friedman. The principal functions of the Compensation Committee are to evaluate the performance of the Company's senior executives, to consider the design and competitiveness of the Company's compensation plans, to review and recommend senior executive compensation and to administer the Company's equity-based compensation plans. The Compensation Committee has the authority under its charter to engage the services of outside advisors, experts and others to assist the Compensation Committee. During the fiscal year 2018, the Compensation Committee held three meetings in 2018. The Board of Directors has determined that each of the members of the Compensation Committee meets the criteria for independence under the applicable listing standards of the NYSE American. The current Compensation Committee Charter is available on the Company's web site, namely, <http://www.micronsolutionsinc.com/investor-relations/corporate-governance/>.

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Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee is presently composed of three members of the Board: Mr. Jason R. Chambers (Chairman), Mr. Marco F. Benedetti and Mr. Rodd E. Friedman. The Nominating and Corporate Governance Committee assists the Board in identifying individuals qualified to be directors, oversees the composition, structure and evaluation of the Board and its committees, and develops and maintains a set of corporate governance guidelines. The Nominating and Corporate Governance Committee reviews these guidelines regularly and recommends changes as necessary or appropriate. During the fiscal year 2018, the Nominating and Corporate Governance Committee held two meetings. The Board of Directors has determined that each of the members of the Committee meets the criteria for independence under the applicable listing standards of the NYSE American. The current Nominating and Corporate Governance Committee Charter is available on the Company's web site, <http://www.micronsolutionsinc.com/investor-relations/corporate-governance/>.

### Nominees to the Board of Directors

Mr. Marco F. Benedetti and Mr. William J. Laursen, are the Board of Director's nominees for re-election as Class III directors to the Board of Directors. See "Information about Directors and Executive Officers" above for information relative to their respective business experience.

The Company's Nominating and Corporate Governance Committee identifies new director candidates through recommendations from members of the Committee, other Board members and executive officers of the Company and will consider candidates who are recommended by security holders, as described below. Although the Board does not have a formal diversity policy, the Committee and the Board will consider such factors as it deems appropriate to assist in developing a Board and committees that are diverse in nature and comprised of experienced and seasoned advisors. These factors focus on skills, expertise or background and may include decision-making ability, judgment, personal integrity and reputation, experience with businesses and other organizations of comparable size, experience as an executive with a publicly traded company, and the extent to which the candidate would be a desirable addition to the Board and any committees of the Board.

In accordance with the Company's By-laws, for nominations by a stockholder to be properly brought before an annual meeting, the stockholder must have given written notice thereof, either by personal delivery or by United States mail, postage prepaid, to the Secretary of the Company, not later than 90 days nor earlier than the 120th day prior to the anniversary of the previous year's annual meeting; provided, however, that in the event that no annual meeting was held in the previous year or the annual meeting is scheduled to be held on a date more than thirty (30) days prior to or delayed by more than sixty (60) days after such anniversary date, notice by the stockholder in order to be timely must be so received not later than the later of the close of business ninety (90) days prior to the annual meeting or the tenth (10th) day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure of the date of the annual meeting was made, which may include any public filing by the Company with the SEC, of the date of the annual meeting. For nominations by a stockholder to be properly brought before a special meeting of stockholders called for the purpose of electing directors, the stockholder must have given written notice thereof, either by personal delivery or by United States mail, postage prepaid, to the Secretary of the Company, not later than the close of business on the tenth (10th) day following the day on which public announcement of the date of the special meeting is first made by the Company.

The notice must set forth information with respect to the stockholder and nominee as specified in Section 3 of Article III of the Company's By-laws.

In addition to the provisions of Section 3 of Article III of the By-laws summarized above, a stockholder shall also comply with all of the applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth herein.

The Nominating and Corporate Governance Committee will evaluate new director candidates in view of the criteria described above, as well as other factors the Committee deems to be relevant, through reviews of biographical and other information, input from others, including members of the Board and executive officers of the Company, and personal discussions with the candidate when warranted by the results of these other assessments. The Committee will evaluate any director candidates recommended by security holders under the same process. In determining whether to recommend to the Board the nomination of a director who is a member of the Board, the Committee will review the Board performance of such director and solicit feedback about the director from other Board members.

#### Communicating with the Board

The Board desires to foster open communications with its security holders regarding issues of a legitimate business purpose affecting the Company. Each Board member is willing to accept correspondence. Communications from stockholders should be in the form of written correspondence and sent via registered mail or overnight delivery to the Company's corporate office, care of the Secretary. Electronic submissions of security holder correspondence will not be accepted. The correspondence shall include supporting documentation evidencing the security holder's stock or other holdings in the Company. The Secretary shall pass on any such communication, other than a solicitation for a product or service or a request for copies of reports filed with the SEC, to the appropriate Board member. Any security holder correspondence addressed generically to the Board of Directors will be forwarded to the Chairman of the Board.

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Code of Conduct and Ethics

The Company has adopted a Code of Conduct and Ethics that applies to all its employees as well as its principal executive, financial and accounting officers. The current Code can be found on the Company's website at <http://www.micronsolutionsinc.com/investor-relations/corporate-governance/>. The Company intends to satisfy the disclosure requirements regarding any amendments to or waivers from a provision of the Code that applies to its principal executive, financial and accounting officers by posting such information on its website at the address set forth above.

REPORT OF THE AUDIT COMMITTEE

The information contained in this Proxy Statement with respect to the Audit Committee Report, charter and the independence of the members of the Audit Committee shall not be deemed to be "soliciting material" or to be "filed" with the SEC, nor shall such information be incorporated by reference into any future filing 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 in such filing.

The Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the accounting firm that is engaged as the Company's independent registered public accounting firm. The Company's management is responsible for the Company's internal controls, disclosure controls and financial reporting process. The Company's independent registered public accounting firm is responsible for performing an independent audit of the Company's consolidated financial statements and expressing an opinion on the conformity of those financial statements with accounting principles generally accepted in the United States.

In the performance of the Audit Committee's oversight function, we have reviewed and discussed with management the Company's audited consolidated financial statements of the Company for the fiscal year ended December 31, 2018 and management's assessment of the effectiveness of the Company's internal control over financial reporting. We have also discussed with the Company's independent registered public accounting firm the matters requiring discussion pursuant to Statement on Auditing Standards No. 61, as amended (Communications with Audit Committees) and as adopted by the Public Company Accounting Oversight Board in Rule 3200T and such other matters as we have deemed to be appropriate. We have also discussed with the Company's independent registered public accounting firm matters relating to its independence, and have received the written disclosures and letter from it required by the applicable requirements of the Public Company Accounting Oversight Board.

On the basis of the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors that the Company's audited consolidated financial statements for the year ended December 31, 2018 be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2018 for filing with the SEC.

By the Members of the Audit  
Committee:

Mr. Marco F. Benedetti, Chairman

Mr. Robert A. Mello

Mr. Jason R. Chambers

Audit Committee Pre-Approval of Audit and Non-Audit Services

The Audit Committee pre-approves all audit and permissible non-audit services provided to the Company by the independent registered public accounting firm. These services may include audit services, audit-related services, tax services and other services. The Audit Committee has adopted policies and procedures for the pre-approval of services provided by the independent registered public accounting firm. Such policies and procedures provide that management and the independent registered public accounting firm shall jointly submit to the Audit Committee a schedule of audit and non-audit services for approval as part of the annual plan for each fiscal year. In addition, the policies and procedures provide that the Audit Committee may also pre-approve particular services not in the annual plan on a case-by-case basis. Management must provide a detailed description of each proposed service and the projected fees and costs (or a range of such fees and costs) for the service.

As permitted under the Sarbanes-Oxley Act of 2002, the Audit Committee may delegate pre-approval authority to one or more of its members, for audit and non-audit services to a subcommittee consisting of one or more members of the Audit Committee. Any service pre-approved by a delegatee must be reported to the Audit Committee at the next scheduled meeting.

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## COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

## Summary Compensation Table

The following table sets forth information regarding annual and long-term compensation with respect to the fiscal years ended December 31, 2018 and 2017, paid or accrued by the Company to or on behalf of those persons who were, during the fiscal year ended December 31, 2018, the Company's Chief Executive Officer, Chief Financial Officer and the Company's most highly compensated executive officers serving as such as of December 31, 2018 whose compensation was in excess of \$100,000 (the "Named Executive Officers"). The dollar amount of Option Awards reflect the aggregate grant date fair value of option awards computed in accordance with FASB ASC Topic 718. The fair value of each option award is estimated on the date of grant using the Black-Scholes option-pricing model. A more detailed discussion of the assumptions used in the valuation of option awards made in fiscal year 2018 may be found in Note 11 of the Notes to the Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2018.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$)	Non Equity Incentive Plan Compensation (\$)	Nonqualified Deferred Earnings (\$)	All Other Compensation (\$)	Total (\$)
William J. Laursen, President & CEO (1)	2018	19,385	12,500	—	87,876 (2)	—	—	—	119,760
Salvatore Emma, Jr., President & CEO (1)	2018	222,032	—	—	29,971 (3)	—	—	—	252,003
	2017	236,142	—	—	—	—	—	—	236,142
Derek T. Welch, Chief Financial Officer, Treasurer and Secretary	2018	159,212	—	—	19,633 (4)	—	—	—	178,845
	2017	161,962	—	—	—	—	—	—	161,962

(1) Mr. William J. Laursen was appointed President and CEO effective November 29, 2018, replacing Mr. Salvatore Emma, Jr. in that position.

(2) Amount reflects the grant date fair value of option awards that were approved by the Board of Directors on October 29, 2018, effective November 29, 2018, using a Black-Scholes value of \$0.88 per share.

(3) Amount reflects the aggregate grant date fair value of option awards for grants made on March 23, 2018, using a Black-Scholes value of \$0.98 per share and for grants made on October 29, 2018 using a Black-Scholes value of \$0.88 per share.

(4) Amount reflects the grant date fair value of option awards that were made on March 23, 2018, using a Black-Scholes value of \$0.98.

## Employment Agreements

On October 29, 2018, the Company entered into an employment agreement with Mr. William Laursen pursuant to which Mr. Laursen will serve as the President and Chief Executive Officer of the Company and its wholly owned



subsidiary commencing as of November 29, 2018. Mr. Laursen's employment agreement provides for an annualized salary of \$280,000. He may qualify for performance bonuses for an amount up to 50% of his base salary. Upon entering the employment agreement, Mr. Laursen received a signing bonus of options to purchase 100,000 shares of the Company's common stock, which options shall vest over a four year period, beginning with a 25% vest on the first anniversary of his start date. The vesting of the options also accelerate upon a change in control. Mr. Laursen shall also receive a \$10,000 cash bonus on or before December 31, 2018. The agreement contains certain change in control provisions providing for payment of salary to Mr. Laursen for up to 18 months. Mr. Laursen shall be subject to certain non-competition and non-solicitation restrictions.

On October 29, 2018, the Company entered into a new employment agreement, effective November 29, 2018, with Mr. Salvatore Emma, Jr. pursuant to which Mr. Emma would serve as the Company's Chief Operating Officer. The agreement replaced a prior agreement entered into in December 2016 pursuant to which Mr. Emma was employed as the Company's President and Chief Executive Officer. Mr. Emma's employment agreement provided for an annualized salary of \$200,000 and eligibility for a performance bonus under the Company's Executive Incentive Plan. He received options to purchase 5,000 shares of the Company's common stock, which shares were subject to a one-year vesting period.

On February 8, 2019, Mr. Emma's employment with the Company terminated. On February 28, 2019, the Company and Mr. Emma, entered into an Agreement and Release which entitled Mr. Emma to a severance benefit, \$1,187.50 per pay period over 24 months or an aggregate of \$123,500. The agreement also included a general release of claims by Mr. Emma and certain confidentiality, non-competition and non-solicitations and innovations provisions.

On December 28, 2016, the Board of Directors entered into an at-will employment agreement with Mr. Derek T. Welch, pursuant to which Mr. Welch will continue to be employed as the Chief Financial Officer and Secretary of the Company and its wholly-

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owned subsidiary, Micron Products, Inc. commencing as of January 1, 2017 and continuing thereafter unless terminated by the Company with or without cause, pursuant to the terms of the agreement. The agreement replaced a prior two-year agreement entered into in January 2015. Pursuant to the agreement, Mr. Welch will be entitled to a base salary at the annualized rate of \$170,000, shall be eligible for compensation under the Executive Incentive Plan adopted in 2016 and to participate in the Company's other benefit plans. The agreement contains certain change in control provisions providing for payment equivalent to two years of base salary at the rate then in effect and confidentiality, non-compete and non-solicitation restrictions.

## Executive Incentive Plan

On November 30, 2016, the Board of Directors, based on the recommendation of the Compensation Committee, approved an Executive Incentive Plan (the "EIP"). The EIP established cash and equity incentive awards that may be earned by executives approved for participation in the EIP, including the Named Executive Officers of the Company (each, an "Executive"), based on the Company's achievement of certain corporate performance metrics during the Company's fiscal year. Any bonuses will be paid, if at all, from a bonus pool consisting of 10% of the Company's net income before bonus, excluding certain extraordinary items in accordance with the budget approved by the Board. The payout of the bonus pool shall be measured 90% on net income and the remaining 10% will be determined by the Board in its discretion. In order for the pool to be funded, actual revenue must equal or exceed 90% of budgeted revenue. Funding of the pool is scaled relative to the extent of achievement of the plan as follows:

% Plan Achievement	% Target Amount Funded
<90%	0%
>90% but <100%	90%
100%	100%
105%	110%
110%	120%
115%	130%
120%	140%
125%	150%
>125%	150%

Bonuses will be established for each Executive based on position level and will be typically expressed as a percentage of the Executive's annual base salary rate as of the last day of the applicable fiscal year. Annual base salary does not include other forms of compensation (such as, without limitation, bonus payments, long-term incentives, overtime compensation, stock based compensation and other variable compensation). Awards under the EIP may also be a specified fixed dollar amount.

Awards shall be comprised of cash and equity. Awards, and the split between cash and equity, for other Executives shall be determined by the Compensation Committee. Awards will be payable in the form of equity may take the form of stock options or restricted stock units at the discretion of the Executive, or other forms of stock based compensation in accordance with the Company's 2010 Equity Incentive Plan. Stock awards may also be in the form of

stock grants at the sole discretion of the Board and in accordance with the 2010 Equity Incentive Plan.

The EIP also contains a long-term incentive plan (LTIP) to reward Executives for achievement of the Company's strategic objectives that lead to maximization of shareholder value by continual growth of earnings per share (EPS). EPS targets shall be determined annually by the Board. In the event targeted EPS growth has been achieved, an equity award equal to one times the current year equity portion of the EIP, if awarded, or as otherwise determined by the Board shall be awarded in the form of stock-based compensation in accordance with the Company's 2010 Equity Incentive Plan.

For the year ended December 31, 2018 no incentive awards were paid or are payable.

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## Outstanding Equity Awards at Fiscal Year End, December 31, 2018

Name	Option Awards				Equity Incentive Plan Awards:		Stock Awards			
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market Value of Shares, Units or Other Rights That Have Not Vested (\$)	
William J. Laursen	—	100,000 (1)	—	3.50	10/29/2028	—	—	—	—	
Salvatore Emma Jr.	10,000 (2)	—	—	9.86	5/19/2021	—	—	—	—	
	4,000 (3)	—	—	5.73	6/3/2021	—	—	—	—	
	12,000 (4)	—	—	2.58	4/2/2023	—	—	—	—	
	9,000 (5)	6,000 (5)	—	7.74	1/20/2025	—	—	—	—	
	16,666 (6)	8,334 (6)	—	4.02	11/30/2026	—	—	—	—	
	—	25,000 (7)	—	3.81	3/23/2028	—	—	—	—	
	—	5,000 (7)	—	3.50	10/29/2028	—	—	—	—	
Derek T. Welch	10,000 (8)	— (8)	—	3.67	12/15/2023	—	—	—	—	
	6,000 (9)	4,000 (9)	—	7.74	1/20/2025	—	—	—	—	
	10,000 (10)	5,000 (10)	—	4.02	11/30/2026	—	—	—	—	
	—	20,000 (11)	—	3.81	3/23/2028	—	—	—	—	

- (1) Exercisable as to 25,000 shares on November 29, 2019 and each anniversary until all 100,000 options are exercisable.
- (2) Exercisable as to 2,000 shares on May 19, 2012 and each anniversary until all 10,000 options are exercisable. Mr. Emma's employment with the Company subsequently ended February 8, 2019. Pursuant to the 2010 Equity Incentive Plan, exercisable options will expire on May 8, 2019.
- (3) Exercisable as to 2,000 shares on June 3, 2012 and each anniversary until all 10,000 options are exercisable. In 2014, 6,000 options were exercised. Mr. Emma's employment with the Company subsequently ended February 8, 2019. Pursuant to the 2010 Equity Incentive Plan, the remaining exercisable options will expire on May 8, 2019.
- (4) Exercisable as to 3,000 shares on April 1, 2014 and each anniversary until all 15,000 options are exercisable. In 2014, 3,000 options were exercised. Mr. Emma's employment with the Company subsequently ended February 8,

2019. Pursuant to the 2010 Equity Incentive Plan, the remaining exercisable options will expire on May 8, 2019.
- (5) Exercisable as to 3,000 shares on January 20, 2016 and each anniversary until all 15,000 options are exercisable. Mr. Emma's employment with the Company subsequently ended February 8, 2019. Pursuant to the 2010 Equity Incentive Plan, unexercisable shares were forfeited upon termination. The exercisable options will expire on May 8, 2019.
  - (6) Exercisable as to 8,333 shares on November 30, 2017 and each anniversary until all 25,000 options are exercisable. Mr. Emma's employment with the Company subsequently ended February 8, 2019. Pursuant to the 2010 Equity Incentive Plan, unexercisable shares were forfeited upon termination. The exercisable options will expire on May 8, 2019.
  - (7) Mr. Emma's employment with the Company subsequently ended February 8, 2019. Pursuant to the 2010 Equity Incentive Plan, unexercisable shares were forfeited upon termination.
  - (8) Exercisable as to 2,000 shares on December 15, 2014 and each anniversary until all 10,000 options are exercisable.
  - (9) Exercisable as to 2,000 shares on January 20, 2016 and each anniversary until all 10,000 options are exercisable.
  - (10) Exercisable as to 5,000 shares on November 30, 2017 and each anniversary until all 15,000 options are exercisable.
  - (11) Exercisable as to 6,667 shares on March 23, 2019 and each anniversary until all 20,000 options are exercisable.

#### Employee Benefit Plans

The Company sponsors an Employee Savings and Investment Plan under Section 401(k) of the Internal Revenue Code covering all eligible employees of the Company. Employees can contribute up to 90% of their eligible compensation to the maximum allowable by the IRS. The Company's matching contributions are at the discretion of the Company. The Company's matching contributions in 2018 and 2017 were \$39,039 and \$42,215, respectively.

#### Equity Incentive Plan

On March 25, 2019, the Company's Board of Directors adopted the 2019 Equity Incentive Plan (the "2019 Plan") upon the recommendation of the Compensation Committee which is expected to be approved by the stockholders at the 2019 Annual Meeting. The 2019 Plan authorizes the issuance of an aggregate of 500,000 shares. All non-issued shares of the 2010 Equity Incentive Plan will

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expire upon the adoption of the 2019 Plan. The 2019 Plan provides the Company flexibility to award a mix of stock options, equity incentive grants, performance awards and other types of stock-based compensation.

## Director Compensation

For fiscal year 2018 each non-employee director was entitled to receive annual compensation of \$30,000 in either cash or the cash equivalent in shares of the Company's common stock or a combination thereof. Additionally, the Chairman of the Board received a pro rata portion of an additional \$5,000 and the chairman of the audit committee received a pro rata portion of an additional \$4,000. Directors who are full time employees receive no compensation for serving as directors. Our non-employee directors who were serving in such capacity in 2018 received the following fees for the year ended December 31, 2018:

Name	Fees Earned or Paid in Cash \$(1)	Stock Awards \$(2)	Non-Equity			All Other Compensation (\$)	Total (\$)
			Option Awards \$(3)	Incentive Compensation (\$)	Plan Nonqualified Deferred Compensation Earnings		
Jason R. Chambers	17,500	17,500	—	—	—	—	35,000
Marco F. Benedetti	17,000	17,000	—	—	—	—	34,000
Rodd E. Friedman	—	(4) —	—	—	—	—	—
Robert A. Mello	15,000	15,000	—	—	—	—	30,000
Andrei Soran							