

Alliqua BioMedical, Inc.
Form DEF 14A
May 17, 2018

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

SCHEDULE 14A
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 Pursuant to §240.14a-12

Alliqua BioMedical, Inc.

(Name of Registrant as Specified In Its Charter)

(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:

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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 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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Filing Party:

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Date Filed:

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Alliqua BioMedical, Inc.
2150 Cabot Boulevard West, Suite B
Langhorne, PA 19047
Telephone: (215) 702-8550
May 17, 2018

Dear Stockholder:

You are cordially invited to attend the Annual Meeting of Stockholders of Alliqua BioMedical, Inc. to be held at 9:00 a.m., Eastern Time, on June 26, 2018, at 2150 Cabot Boulevard West, Suite B, Langhorne, PA 19047.

We are pleased to take advantage of the U.S. Securities and Exchange Commission rule that allows companies to furnish proxy materials to their stockholders over the Internet. As a result, we are mailing to our stockholders a Notice of Internet Availability of Proxy Materials (the "Notice") instead of a paper copy of our proxy statement and our 2017 Annual Report to Stockholders. We believe this process allows us to provide our stockholders with the information they need in a timely manner, while reducing the environmental impact and lowering costs of printing and distributing our proxy materials. The Notice contains instructions on how to access those documents over the Internet. The Notice also contains instructions on how to request a paper copy of our proxy materials, including our proxy statement, our 2017 Annual Report to Stockholders and a form of proxy card or voting instruction card.

Your vote is very important, regardless of the number of shares of our voting securities that you own. I encourage you to vote by telephone, over the Internet, or if you requested to receive printed proxy materials, by marking, signing, dating and returning your proxy card so that your shares will be represented and voted at the Annual Meeting, whether or not you plan to attend. If you attend the Annual Meeting, you will, of course, have the right to revoke the proxy and vote your shares in person.

If your shares are held in the name of a broker, trust, bank or other nominee, and you receive notice of the Annual Meeting through your broker or through another intermediary, please vote or return the materials in accordance with the instructions provided to you by such broker or other intermediary or contact your broker directly in order to obtain a proxy issued to you by your nominee holder to attend the meeting and vote in person. Failure to do so may result in your shares not being eligible to be voted by proxy at the meeting.

On behalf of the board of directors, I urge you to submit your proxy as soon as possible, even if you currently plan to attend the meeting in person.

Thank you for your support of our company. I look forward to seeing you at the annual meeting.

Sincerely,

/s/ David Johnson

David I. Johnson,
Chief Executive Officer

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR
THE STOCKHOLDER MEETING TO BE HELD ON JUNE 26, 2018:**

Our official Notice of Annual Meeting of Stockholders, Proxy Statement and 2017 Annual Report to Stockholders are available at:

www.proxyvote.com

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Alliqua BioMedical, Inc.
2150 Cabot Boulevard West, Suite B
Langhorne, PA 19047
Telephone: (215) 702-8550

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held June 26, 2018

The 2018 Annual Meeting of Stockholders (the “Annual Meeting”) of Alliqua BioMedical, Inc., a Delaware corporation (the “Company”), will be held at 9:00 a.m., Eastern Time, on June 26, 2018, at 2150 Cabot Boulevard West, Suite B, Langhorne, PA 19047. We will consider and act on the following items of business at the Annual Meeting:

(1)

Election of five directors to serve on the Company’s board of directors for a term of one year or until their respective successors are elected and qualified, for which the following are nominees: David Johnson; Joseph Leone; Gary Restani; Mark Wagner and Jeffrey Sklar.

(2)

Ratification of the appointment of Marcum LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2018.

(3)

Such other business as may properly come before the Annual Meeting.

Stockholders are referred to the proxy statement accompanying this notice for more detailed information with respect to the matters to be considered at the Annual Meeting. After careful consideration, the board of directors recommends a vote FOR the five director nominees named above (Proposal 1); and FOR the ratification of the appointment of Marcum LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2018 (Proposal 2).

The board of directors has fixed the close of business on May 3, 2018, as the record date (the “Record Date”). Only holders of record of shares of our common stock on such date are entitled to receive notice of the Annual Meeting and to vote at the Annual Meeting or at any postponement(s) or adjournment(s) of the Annual Meeting. A complete list of registered stockholders entitled to vote at the Annual Meeting will be available for inspection at the office of the Company during regular business hours for the 10 calendar days prior to and during the Annual Meeting.

YOUR VOTE AND PARTICIPATION IN THE COMPANY’S AFFAIRS ARE IMPORTANT.

If your shares are registered in your name, even if you plan to attend the Annual Meeting or any postponement or adjournment of the Annual Meeting in person, we request that you vote by telephone, over the Internet, or if you requested to receive printed proxy materials, complete, sign and mail your proxy card to ensure that your shares will be represented at the Annual Meeting.

If your shares are held in the name of a broker, trust, bank or other nominee, and you receive notice of the Annual Meeting through your broker or through another intermediary, please vote or complete and return the materials in accordance with the instructions provided to you by such broker or other intermediary or contact your broker directly in order to obtain a proxy issued to you by your nominee holder to attend the Annual Meeting and vote in person. Failure to do so may result in your shares not being eligible to be voted by proxy at the Annual Meeting.

By Order of The Board of Directors,

/s/ David Johnson
David I. Johnson
Chief Executive Officer
May 17, 2018

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Alliqua BioMedical, Inc.
2150 Cabot Boulevard West, Suite B
Langhorne, PA 19047
Telephone: (215) 702-8550

**PROXY STATEMENT
FOR
ANNUAL MEETING OF STOCKHOLDERS
To Be Held June 26, 2018**

Unless the context otherwise requires, references in this Proxy Statement to “we,” “us,” “our,” the “Company,” or “Alliqua” refer to Alliqua BioMedical, Inc., a Delaware corporation, and its direct and indirect subsidiaries. In addition, unless the context otherwise requires, references to “stockholders” are to the holders of our voting securities, which consist of our common stock, par value \$0.001 per share.

The accompanying proxy is solicited by the board of directors on behalf of Alliqua BioMedical, Inc., a Delaware corporation, to be voted at the annual meeting of stockholders of Alliqua (the “Annual Meeting”) to be held on June 26, 2018, at the time and place and for the purposes set forth in the accompanying Notice of Annual Meeting of Stockholders (the “Notice”) and at any adjournment(s) or postponement(s) of the Annual Meeting. This Proxy Statement and accompanying form of proxy are expected to be first sent or given to stockholders on or about May 17, 2018. The executive office of Alliqua is located at, and the mailing address of Alliqua is, 2150 Cabot Boulevard West, Suite B, Langhorne, Pennsylvania 19047.

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR
THE STOCKHOLDER MEETING TO BE HELD ON JUNE 26, 2018:**

Our official Notice of Annual Meeting of Stockholders, Proxy Statement and 2018 Annual Report to Stockholders are available at:
www.proxyvote.com

We are pleased to take advantage of the U.S. Securities and Exchange Commission (“SEC”) rule that allows companies to furnish proxy materials to their stockholders over the Internet. As a result, we are mailing to our stockholders a Notice of Internet Availability of Proxy Materials instead of a paper copy of this Proxy Statement and our 2017 Annual Report to Stockholders. We believe this process allows us to provide our stockholders with the information they need in a timely manner, while reducing the environmental impact and lowering costs of printing and distributing our proxy materials. The Notice of Internet Availability of Proxy Materials contains instructions on how to access those documents over the Internet. The Notice of Internet Availability of Proxy Materials also contains instructions on how to request a paper copy of our proxy materials, including this Proxy Statement, our 2017 Annual Report to Stockholders and a form of proxy card or voting instruction card.

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ABOUT THE ANNUAL MEETING

What is a proxy?

A proxy is another person that you legally designate to vote your stock. If you designate someone as your proxy in a written document, that document is also called a “proxy” or a “proxy card.” If you are a street name holder, you must obtain a proxy from your broker or nominee in order to vote your shares in person at the Annual Meeting.

What is a proxy statement?

A proxy statement is a document that regulations of the SEC require that we give to you when we ask you to sign a proxy card to vote your stock at the Annual Meeting.

What is the purpose of the Annual Meeting?

At our Annual Meeting, stockholders will act upon the matters outlined in the Notice, including the following:

(1)

Election of five directors to serve on the Company’s board of directors for a term of one year or until their respective successors are elected and qualified, for which the following are nominees: David Johnson; Joseph Leone; Gary Restani; Mark Wagner and Jeffrey Sklar.

(2)

Ratification of the appointment of Marcum LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2018.

(3)

Such other business as may properly come before the Annual Meeting.

What is “householding” and how does it affect me?

With respect to eligible stockholders who share a single address, we may send only one Notice or Proxy Statement to that address unless we receive instructions to the contrary from any stockholder at that address. This practice, known as “householding,” is designed to reduce our printing and postage costs. However, if a stockholder of record residing at such address wishes to receive a separate Notice or Proxy Statement in the future, he or she may contact Alliqua BioMedical, Inc., 2150 Cabot Boulevard West, Suite B, Langhorne, Pennsylvania 19047, Attn: Investor Relations or call (215) 702-8550 and ask for Investor Relations. Eligible stockholders of record receiving multiple copies of our Notice or Proxy Statement can request householding by contacting us in the same manner. Stockholders who own shares through a bank, broker or other nominee can request householding by contacting the nominee.

We hereby undertake to deliver promptly, upon written or oral request, a copy of the Notice or Proxy Statement to a stockholder at a shared address to which a single copy of the document was delivered. Requests should be directed to Investor Relations at the address or phone number set forth above.

SEC rules permit companies to send you a notice that proxy information is available on the Internet, instead of mailing you a complete set of materials. As such, we have elected to distribute proxy information in this manner.

What should I do if I receive more than one set of voting materials?

You may receive more than one set of voting materials, including multiple copies of the Notice or this Proxy Statement and multiple proxy cards or voting instruction cards. For example, if you hold your shares in more than one brokerage account, you will receive a separate voting instruction card for each brokerage account in which you hold shares. Similarly, if you are a stockholder of record and hold shares in a brokerage account, you will receive a Notice for shares held in your name and a notice or voting instruction card for shares held in street name. Please follow the directions provided in the Notice and each additional notice or voting instruction card you receive to ensure that all your shares are voted.

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What is the record date and what does it mean?

The record date to determine the stockholders entitled to notice of and to vote at the Annual Meeting is the close of business on May 3, 2018 (the “Record Date”). The Record Date was established by the board of directors as required by Delaware law. On the Record Date, 5,005,211 shares of common stock were issued and outstanding.

Who is entitled to vote at the Annual Meeting?

Holders of common stock at the close of business on the Record Date may vote at the Annual Meeting.

How many votes do I have?

On each matter to be voted upon, you have one vote for each share of common stock you own as of the Record Date.

What is the quorum requirement?

The presence, in person or by proxy, of the holders of a majority of the shares of the stock entitled to vote at the Annual Meeting is necessary to constitute a quorum to transact business. If you are a stockholder of record, your shares will be counted towards the quorum only if you submit a valid proxy vote or vote at the Annual Meeting. If you are a beneficial owner of shares held in “street name,” your shares will be counted towards the quorum if your broker or nominee submits a proxy for your shares at the Annual Meeting, even if such proxy results in a broker non-vote due to the absence of voting instructions from you. Abstentions and broker non-votes will be counted towards the quorum requirement. If a quorum is not present or represented at the Annual Meeting, the holders of a majority of the shares represented, and who would be entitled to vote at the Annual Meeting if a quorum were present, may adjourn the Annual Meeting from time to time without notice or other announcement until a quorum is present or represented.

What is the difference between a stockholder of record and a “street name” holder?

If your shares are registered directly in your name with Action Stock Transfer Corporation, our stock transfer agent, you are considered the stockholder of record with respect to those shares. The Notice has been sent directly to you by us.

If your shares are held in a stock brokerage account or by a bank or other nominee, the nominee is considered the record holder of those shares. You are considered the beneficial owner of these shares, and your shares are held in “street name.” A notice or Proxy Statement and voting instruction card have been forwarded to you by your nominee. As the beneficial owner, you have the right to direct your nominee concerning how to vote your shares by using the voting instructions they included in the mailing or by following their instructions for voting by telephone or the Internet.

What is a broker non-vote?

Broker non-votes occur when shares are held in “street name” through a broker, bank or other intermediary on behalf of a beneficial owner and the broker submits a proxy but does not vote for a matter because the broker has not received voting instructions from the beneficial owner and (i) the broker does not have discretionary voting authority on the matter or (ii) the broker chooses not to vote on a matter for which it has discretionary voting authority. Under the rules of the NYSE that govern how brokers may vote shares for which they have not received voting instructions from the beneficial owner, brokers are permitted to exercise discretionary voting authority only on “routine” matters when voting instructions have not been timely received from a beneficial owner. The ratification of Marcum LLP as our independent public account firm for the fiscal year ended December 31, 2018 is considered a “routine matter.”

Therefore, if you do not provide voting instructions to your broker regarding such proposal, your broker will be permitted to exercise discretionary voting authority to vote your shares on such proposal. Your broker does not have discretionary authority to vote your shares with respect to the election of directors (Proposal 1), in the absence of specific instructions from you.

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How do I vote my shares?

Your vote is very important to us and we hope that you will attend the Annual Meeting. However, whether or not you plan to attend the Annual Meeting, please vote by proxy in accordance with the instructions on your proxy card or voting instruction card (from your broker or other intermediary). There are three convenient ways of submitting your vote:

- **By Telephone or Internet** — All record holders can vote by touchtone telephone from the United States using the toll free telephone number on the proxy card, or over the Internet, using the procedures and instructions described on the proxy card. “Street name” holders may vote by telephone or Internet if their bank, broker or other nominee makes those methods available, in which case the bank, broker or other nominee will enclose the instructions with the proxy materials. The telephone and Internet voting procedures are designed to authenticate stockholders’ identities, to allow stockholders to vote their shares, and to confirm that their instructions have been recorded properly.

- **In Person** — All record holders may vote in person at the Annual Meeting. “Street name” holders may vote in person at the Annual Meeting if their bank, broker or other nominee has furnished a legal proxy. If you are a “street name” holder and would like to vote your shares by proxy, you will need to ask your bank, broker or other nominee to furnish you with a nominee issued proxy. You will need to bring the nominee issued proxy with you to the Annual Meeting and hand it in with a signed ballot that will be provided to you at the Annual Meeting. You will not be able to vote your shares without a nominee issued proxy. Note that a broker letter that identifies you as a stockholder is not the same as a nominee issued proxy.

- **By Written Proxy** — All record holders can vote by written proxy card, if they have requested to receive printed proxy materials. If you are a “street name” holder and you request to receive printed proxy materials, you will receive a written proxy card and a voting instruction card from your bank, broker or other nominee.

The board of directors has appointed David Johnson, president and chief executive officer, and Joseph Warusz, chief financial officer, treasurer and secretary, to serve as the proxies for the Annual Meeting.

If you complete all of the proxy card except one or more of the voting instructions, then the designated proxies will vote your shares as to which you provide no voting instructions in the manner described under “What if I do not specify how I want my shares voted?” below. We do not anticipate that any other matters will come before the Annual Meeting, but if any other matters properly come before the meeting, then the designated proxies will vote your shares in accordance with applicable law and their judgment.

If you hold your shares in “street name,” and complete the voting instruction card provided by your broker or other intermediary except with respect to one or more of the voting instructions, then your broker may be unable to vote your shares with respect to the proposal as to which you provide no voting instructions. See “What is a broker non-vote?” above.

Even if you currently plan to attend the Annual Meeting, we recommend that you vote by telephone or Internet or return your proxy card or voting instructions as described above so that your votes will be counted if you later decide not to attend the Annual Meeting or are unable to attend.

Who counts the votes?

All votes will be tabulated by Jennie Carcel, the inspector of election appointed for the Annual Meeting. Each proposal will be tabulated separately.

What are my choices when voting?

In the election of directors (Proposal 1), stockholders may vote for all director nominees or may withhold their votes as to one or more director nominees. With respect to the ratification of the independent registered public accounting firm (Proposal 2) stockholders may vote for the proposal, against the proposal, or abstain from voting on the proposal.

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What are the board of directors' recommendations on how I should vote my shares?

The board of directors recommends that you vote your shares as follows:

Proposal 1 — FOR the election of the five nominees for director.

Proposal 2 — FOR the ratification of the independent registered public accounting firm.

What if I do not specify how I want my shares voted?

If you are a record holder who returns a completed proxy card that does not specify how you want to vote your shares on one or more proposals, the designated proxies will vote your shares for each proposal as to which you provide no voting instructions, and such shares will be voted in the following manner:

Proposal 1 — FOR the election of the five nominees for director.

Proposal 2 — FOR the ratification of the independent registered public accounting firm.

If you are a street name holder and do not provide voting instructions on one or more proposals, your bank, broker or other nominee may be unable to vote those shares. See "What is a broker non-vote?"

Can I change my vote?

Yes. If you are a record holder, you may revoke your proxy at any time by any of the following means:

- Attending the Annual Meeting and voting in person. Your attendance at the Annual Meeting will not by itself revoke a proxy. You must vote your shares by ballot at the Annual Meeting to revoke your proxy.

- Voting again by telephone or over the Internet (only your latest telephone or Internet vote submitted prior to the Annual Meeting will be counted).

- If you requested and received written proxy materials, completing and submitting a new valid proxy bearing a later date.

- Giving written notice of revocation to the Company addressed to Joseph Warusz, chief financial officer, treasurer and secretary, at the Company's address above, which notice must be received before noon, Eastern Time, on June 25, 2018.

If you are a street name holder, your bank, broker or other nominee should provide instructions explaining how you may change or revoke your voting instructions.

What percentage of the vote is required to approve each proposal?

Assuming the presence of a quorum, the five director nominees (Proposal 1) who receive a plurality of the votes cast in the election of directors will be elected.

Assuming the presence of a quorum, approval of the ratification of the independent registered public accounting firm (Proposal 2) will require the affirmative vote of the holders of a majority of the shares of our common stock represented in person or by proxy at the Annual Meeting entitled to vote on such proposal that voted for or against such proposal.

How are abstentions and broker non-votes treated?

Abstentions are included in the determination of the number of shares present at the Annual Meeting for determining a quorum at the meeting. Abstentions and votes withheld from director nominees will not be counted with respect to the vote and will have no effect on the election of directors (Proposal 1) and the ratification of the independent registered public accounting firm (Proposal 2).

Broker non-votes are included in the determination of the number of shares present at the Annual Meeting for determining a quorum at the meeting. Broker non-votes will have no effect upon the election of directors (Proposal 1) and broker non-votes are not applicable to the ratification of the independent registered public accounting firm (Proposal 2).

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Do I have any dissenters' or appraisal rights with respect to any of the matters to be voted on at the Annual Meeting?
No. None of our stockholders has any dissenters' or appraisal rights with respect to the matters to be voted on at the Annual Meeting.

What are the solicitation expenses and who pays the cost of this proxy solicitation?

Our board of directors is asking for your proxy and we will pay all of the costs of asking for stockholder proxies. We will reimburse brokerage houses and other custodians, nominees and fiduciaries for their reasonable out-of-pocket expenses for forwarding solicitation material to the beneficial owners of common stock and collecting voting instructions. We may use our officers and employees to ask for proxies, as described below.

Is this Proxy Statement the only way that proxies are being solicited?

No. In addition to the solicitation of proxies by use of the mail, our officers and employees, as well as any proxy solicitation firm hired by us, may solicit the return of proxies, either by mail, telephone, fax, e-mail or through personal contact. These officers and employees will not receive additional compensation for their efforts but will be reimbursed for out-of-pocket expenses. Brokerage houses and other custodians, nominees and fiduciaries, in connection with shares of the common stock registered in their names, will be requested to forward solicitation material to the beneficial owners of shares of common stock.

Are there any other matters to be acted upon at the Annual Meeting?

Management does not intend to present any business at the Annual Meeting for a vote other than the matters set forth in the Notice and has no information that others will do so. If other matters requiring a vote of the stockholders properly come before the Annual Meeting, it is the intention of the persons named in the accompanying form of proxy to vote the shares represented by the proxies held by them in accordance with applicable law and their judgment on such matters.

Where can I find voting results?

The Company expects to publish the voting results in a current report on Form 8-K, which it expects to file with the SEC within four business days following the Annual Meeting.

Who can help answer my questions?

The information provided above in this "Question and Answer" format is for your convenience only and is merely a summary of the information contained in this Proxy Statement. We urge you to carefully read this entire Proxy Statement, including the documents we refer to in this Proxy Statement. If you have any questions, or need additional material, please feel free to contact Joseph Warusz by email at ir@alliqua.com or phone at (215) 702-8550.

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CORPORATE GOVERNANCE AND BOARD OF DIRECTORS MATTERS

Director Independence

Our board of directors has determined that each of Joseph Leone, Gary Restani, Mark Wagner and Jeffrey Sklar satisfy the requirements for independence set out in Section 5605(a)(2) of the NASDAQ Stock Market Rules and that each of these directors has no material relationship with us (other than being a director and/or stockholder). In making its independence determinations, the board of directors sought to identify and analyze all of the facts and circumstances relating to any relationship between a director, his immediate family or affiliates and our company and its affiliates and did not rely on categorical standards other than those contained in the NASDAQ rule referenced above.

Board Committees

Our board of directors has established an audit committee, a nominating and corporate governance committee and a compensation committee, each of which has the composition and responsibilities described below.

Audit Committee. The audit committee is currently comprised of Messrs. Leone, Sklar and Restani, each of whom our board has determined to be financially literate and qualify as an independent director under Section 5605(a)(2) and Section 5605(c)(2) of the rules of the Nasdaq Stock Market. Mr. Leone is the chairman of our audit committee. In addition, each of Messrs. Leone and Sklar qualify as an audit committee financial expert, as defined in Item 407(d)(5)(ii) of Regulation S-K. The function of the audit committee is to assist the board of directors in its oversight of (1) the integrity of our financial statements, (2) compliance with legal and regulatory requirements, (3) the qualifications, independence and performance of our independent auditors and (4) the performance of our internal audit function and internal control systems. The audit committee held a total of six meetings during the fiscal year ended December 31, 2017. The audit committee operates under a formal charter adopted by the board of directors that governs its duties and conduct. Copies of the charter can be obtained free of charge from our web site, www.alliqua.com, by contacting us at the address appearing on the first page of this Proxy Statement to the attention of Investor Relations, or by telephone at (215) 702-8550.

Nominating and Corporate Governance Committee. The nominating and corporate governance committee is currently comprised of Messrs. Leone and Restani, each of whom qualifies as an independent director under Section 5605(a)(2) of the rules of the Nasdaq Stock Market. The primary function of the nominating and corporate governance committee is to identify individuals qualified to become board members, consistent with criteria approved by the board, and select the director nominees for election at each annual meeting of stockholders. The nominating and corporate governance committee will consider all proposed nominees for the board of directors, including those put forward by stockholders. Stockholder nominations should be addressed to the nominating and corporate governance committee in care of the Secretary, at the following address: Alliqua BioMedical, Inc., 2150 Cabot Boulevard West, Suite B, Langhorne, Pennsylvania 19047, in accordance with the provisions of the Company's bylaws. The nominating and corporate governance committee annually reviews with the board the applicable skills and characteristics required of board nominees in the context of current board composition and Company circumstances. In making its recommendations to the board, the nominating and corporate governance committee considers all factors it considers appropriate, which may include experience, accomplishments, education, understanding of the business and the industry in which the Company operates, specific skills, general business acumen and the highest personal and professional integrity. The nominating and corporate governance committee did not hold any meetings during the fiscal year ended December 31, 2017. The nominating and corporate governance committee operates under a formal charter adopted by the board of directors that governs its duties and conduct. Copies of the charter can be obtained free of charge from our web site, www.alliqua.com, by contacting us at the address appearing on the first page of this Proxy Statement to the attention of Investor Relations, or by telephone at (215) 702-8550.

Compensation Committee. The compensation committee is currently comprised of Messrs. Restani and Sklar, each of whom qualifies as an independent director under Section 5605(a)(2) of the rules of the Nasdaq Stock Market, an "outside director" for purposes of Section 162(m) of the Code and a "non-employee director" for purposes of Section 16b-3 under the Exchange Act and does not have a relationship to us which is material to his ability to be independent from management in connection with

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the duties of a compensation committee member, as described in Section 5605(d)(2) of the rules of the Nasdaq Stock Market. Mr. Sklar is the chairman of the compensation committee. The function of the compensation committee is to discharge the board of directors' responsibilities relating to compensation of our executive officers. The primary objective of the compensation committee is to approve and evaluate all of our compensation plans, policies and programs insofar as they affect our executive officers. The compensation committee held a total of two meetings during the fiscal year ended December 31, 2017. The compensation committee operates under a formal charter adopted by the board of directors that governs its duties and conduct. Copies of the charter can be obtained free of charge from our web site, www.alliqua.com, by contacting us at the address appearing on the first page of this Proxy Statement to the attention of Investor Relations, or by telephone at (215) 702-8550.

Meetings and Attendance

During the fiscal year ended December 31, 2017, our board of directors held 27 meetings, and each director attended at least 75 percent of the aggregate number of all (i) board meetings held during the period for which he was a director and (ii) committee meetings held during the period for which he was a committee member except Winston Kung, who was recused from five meetings, and Dr. Jerome Zeldis, who was recused from eight meetings, in each case, as a matter of good corporate governance due to a potential conflict of interest related to the purpose of those meetings. Excluding the meetings from which they were respectively recused, each of Mr. Kung and Dr. Zeldis attended more than 75 percent board of the aggregate number of all (i) board meetings held during the period for which he was a director and (ii) committee meetings held during the period for which he was a committee member. We do not have a policy requiring director attendance at stockholder meetings, but members of our board of directors are encouraged to attend. One of seven directors attended our 2017 Annual Meeting of Stockholders.

Board Leadership Structure

The board of directors is committed to promoting effective, independent governance of the Company. Our board believes it is in the best interests of the stockholders and the Company for the board to have the flexibility to select the best director to serve as chairman at any given time, regardless of whether that director is an independent director or the chief executive officer. Consequently, we do not have a policy governing whether the roles of chairman of the board and chief executive officer should be separate or combined. This decision is made by our board of directors, based on the best interests of the Company considering the circumstances at the time.

Currently, we do not have a chairman of the board and David Johnson is our chief executive officer. Our board leadership structure is commonly utilized by other public companies in the United States, and we believe that it is effective for us. This leadership structure is appropriate for us given the size and scope of our business, the experience and active involvement of our independent directors, and our corporate governance practices, which include regular communication with and interaction between and among the Chief Executive Officer and the Chief Financial Officer and the independent directors. Of the five members of our Board, four are independent from management. At this time, we believe that our current board structure provides the best form of leadership for us.

Role in Risk Oversight

The board of directors has an active role, as a whole and at the committee level, in overseeing management of the Company's risks. The board of directors regularly reviews information regarding the Company's financial position and operations, as well as the risks associated with each. While the board of directors is ultimately responsible for risk oversight at the Company, our board committees assist the board of directors in fulfilling oversight responsibilities in certain areas of risk. The audit committee assists the board of directors in fulfilling its oversight responsibilities with respect to management in the areas of financial reporting, internal controls and compliance with legal and regulatory requirements. The compensation committee assists the board of directors in fulfilling its oversight responsibilities with respect to the management of risks arising from our compensation policies and programs. The nominating and corporate governance committee assists the board of directors in fulfilling its oversight responsibilities with respect to the management of risks associated with board organization, membership and structure of the board of directors, succession planning for our directors and executive officers, and corporate governance.

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Communications with the Board of Directors

We have no formal procedures to follow for stockholders to communicate with the board of directors. Any stockholder who wishes to communicate with our board of directors, any committee of our board of directors or any individual director, may do so by mailing or delivering a written communication to c/o Alliqua BioMedical, Inc., 2150 Cabot Boulevard West, Suite B, Langhorne, Pennsylvania 19047, Attention: Board of Directors. All appropriate communications received from stockholders at the designated address will be forwarded to the full board of directors, any committee thereof or individual director to whom the communication is addressed.

Director Nomination Policies

The Company has a standing nominating and corporate governance committee consisting entirely of independent directors. Each director nominee was recommended to the board by the nominating and corporate governance committee for selection.

The nominating and corporate governance committee will consider all proposed nominees for the board of directors, including those put forward by stockholders. Stockholder nominations should be addressed to the nominating and corporate governance committee in care of the Secretary, at the following address: Alliqua BioMedical, Inc., 2150 Cabot Boulevard West, Suite B, Langhorne, Pennsylvania 19047, in accordance with the provisions of the Company's bylaws. The nominating and corporate governance committee annually reviews with the board the applicable skills and characteristics required of board nominees in the context of current board composition and Company circumstances. In making its recommendations to the board, the nominating and corporate governance committee considers all factors it considers appropriate, which may include experience, accomplishments, education, understanding of the business and the industry in which the Company operates, specific skills, general business acumen and the highest personal and professional integrity. Generally, the nominating and corporate governance committee will first consider current board members because they meet the criteria listed above and possess an in depth knowledge of the Company, its history, strengths, weaknesses, goals and objectives. This level of knowledge has proven very valuable to the Company. In determining whether to recommend a director for re-election, the nominating and corporate governance committee also considers the director's past attendance at meetings and participation in and contributions to the activities of the board.

The board and the nominating and corporate governance committee aim to assemble a diverse group of board members and believe that no single criterion such as gender or minority status is determinative in obtaining diversity on the board. The board defines diversity as differences of viewpoint, professional experience, education and skills such as a candidate's range of experience serving on other public company boards, the balance of the business interest and experience of the candidate as compared to the incumbent or other nominated directors, and the need for any particular expertise on the board or one of its committees.

Certain Related Transactions and Relationships

On February 27, 2017, we closed a private placement of 5,540,000 shares of common stock at a purchase price of \$0.50 per share, for gross proceeds of \$2,770,000. Celgene Corporation ("Celgene"), which beneficially owns more than 5% of our common stock, purchased 4,000,000 shares of common stock for a purchase price of \$2,000,000, and Dr. Zeldis, the former chairman of our board of directors, purchased 400,000 shares of common stock for a purchase price of \$200,000 in the private placement. Additional shares of common stock were issuable to Celgene and Dr. Zeldis pursuant to the "most favored nation" provision in the securities purchase agreement entered into in the private placement (the "Securities Purchase Agreement"), which issuance is subject to stockholder approval as may be required by the applicable rules and regulations of the NASDAQ Capital Market. Following the Public Offering, on April 11, 2017, we adjusted the per share purchase price under the Securities Purchase Agreement to equal the \$0.40 per share Public Offering price and issued 296,277 additional shares of common stock to Celgene.

Following approval at the Company's 2017 annual meeting of shareholders, the Company issued 703,723 additional shares of common stock to Celgene and 100,000 additional shares of common stock to Dr. Zeldis, in each case, pursuant to the "most favored nation" provision in the Securities Purchase Agreement.

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On May 29, 2015, we and each of its subsidiaries entered into the Credit Agreement with Perceptive Credit Opportunities Fund, LP (“Perceptive”), an affiliate of Perceptive Advisors, LLC, which beneficially owns more than 5% of our common stock. The Credit Agreement provided a senior secured term loan in a single borrowing to the Company in the principal amount of \$15.5 million. The Credit Agreement (i) has a four-year term, (ii) accrues interest at an annual rate equal to the greater of (a) one-month LIBOR or 1% plus (b) 9.75%, (iii) is interest only for the first 24 months, followed by monthly amortization payments of \$225,000, with the remaining unpaid balance due on the maturity date and (iv) is secured by a first priority lien on substantially all of the Company’s assets. The Company is required to pay an exit fee when the term loan is paid in full equal to the greater of 2% of the outstanding principal balance immediately prior to the final payment or \$200,000, which was amended in conjunction with the extinguishment of debt described below from the greater of 1% of the outstanding principal balance immediately prior to the final payment or \$100,000. The Company fully repaid its obligations under the Credit Agreement on May 7, 2018.

In connection with the entry into the Credit Agreement, a five-year warrant (the “Warrant”) to purchase 75,000 shares of common stock, par value of \$0.001 per share at an exercise price of \$55.138 per share (the “Exercise Price”) was issued to Perceptive. The Company granted Perceptive customary demand and piggy-back registration rights with respect to the shares of common stock issuable upon exercise of the Warrant. The Warrant contains a weighted average anti-dilution feature whereby the Exercise Price is subject to reduction if the Company issues shares of common stock (or securities convertible into common stock) in the future at a price below the current Exercise Price. The Company amended and restated the Warrant on each of October 25, 2016, January 26, 2017, March 7, 2017 and April 6, 2017. In addition, on June 1, 2017, the Company further amended the Warrant. The amended and restated Warrant, as amended, is exercisable for 210,000 shares of the Company’s common stock at an exercise price of \$4.70. The amended and restated Warrant, as amended, contains a weighted average anti-dilution feature whereby the exercise price of the amended and restated warrant is subject to reduction if the Company issues shares of common stock (or securities convertible into common stock) in the future at a price below the current exercise price of such warrant. Perceptive will not have the right to exercise the warrant to the extent that after giving effect to such exercise, Perceptive would beneficially own in excess of 9.99% of the common stock outstanding immediately after giving effect to such exercise.

Mark Wagner, who is a member of our board of directors, is a director of Minnetronix, Inc. (“Minnetronix”). On November 17, 2015, we entered into a manufacturing supply agreement with Minnetronix, pursuant to which Minnetronix agreed to perform manufacturing and other services in exchange for certain fees and expenses, with such amounts being variable and contingent on various factors. During the years ended December 31, 2017 and 2016, we incurred costs of approximately \$412,000 and \$491,000, respectively.

Policies for Review, Approval or Ratification of Transactions with Related Persons

The board of directors has adopted a written policy with respect to the review, approval and ratification of related party transactions. The policy generally defines a related party transaction as any transaction directly or indirectly involving any related party that would need to be disclosed under Item 404(a) of Regulation S-K, which means any transaction or material amendment or modification to any such transaction occurring since the beginning of the last fiscal year, or any currently proposed transaction, involving the Company where the amount involved exceeds \$120,000 and in which any related person had or will have a direct or indirect material interest. A related party includes (i) a director, director nominee or executive officer, (ii) a security holder known to be a beneficial owner of more than 5% of our common stock and (iii) an immediate family member of any of the foregoing.

The policy requires our audit committee to review and approve all related party transactions. At each of its meeting, the audit committee will be provided with details of each new, existing or proposed related party transaction, including terms of the transaction, the business purpose of the transaction and the benefits to the Company and to the relevant related party. In reviewing and determining whether to approve a related party transaction, the audit committee is to consider, among other factors (i) whether the terms of the proposed related party transaction are fair to the Company and on the same basis as would apply if the transaction did not involve a related party, (ii) whether there are business reasons for the Company to enter into the related party transaction and (iii) whether the related party transaction would present an improper conflict of interests for any director or executive officer of the Company, taking into account the size of the

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transaction, the overall financial position of the director, executive officer or related party, the direct or indirect nature of such person's interest in the transaction and the ongoing nature of any proposed relationship, and any other factors that the audit committee deems relevant.

Upon completion of its review of the transaction, the audit committee may determine to permit or to prohibit the related party transaction. Under the terms of the policy, a related party transaction entered into without pre-approval of the audit committee will not violate the policy or be invalid or unenforceable, so long as the transaction is brought to the audit committee as promptly as reasonably practicable after it is entered into or after it becomes reasonably apparent that the transaction is covered by the policy.

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REPORT OF THE AUDIT COMMITTEE

The audit committee has reviewed and discussed the Company's audited financial statements and related footnotes for the fiscal year ended December 31, 2017, and the independent auditor's report on those financial statements, with management and with our independent auditor, Marcum LLP. The audit committee has also discussed with Marcum LLP the matters required to be discussed by the statement on Auditing Standards No. 61, as amended, as adopted by the Public Company Accounting Oversight Board in Rule 3200T. The audit committee has also received the written disclosures and the letter from Marcum LLP required by applicable requirements of the Public Company Accounting Oversight Board regarding Marcum LLP's communications with the audit committee concerning independence, and has discussed with Marcum LLP that firm's independence.

Based on the review and the discussions referred to in the preceding paragraph, the audit committee determined that the Company's audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2017, that was filed with the SEC.

The Audit Committee:

Joseph Leone (Chairman)

Jeffrey Sklar

Gary Restani

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information with respect to the beneficial ownership of our common stock as of May 3, 2018 by:

- each person known by us to beneficially own more than 5.0% of our common stock;
- each of our directors;
- each of the named executive officers; and
- all of our directors and executive officers as a group.

The percentages of common stock beneficially owned are reported on the basis of regulations of the SEC governing the determination of beneficial ownership of securities. Under the rules of the SEC, a person is deemed to be a beneficial owner of a security if that person has or shares voting power, which includes the power to vote or to direct the voting of the security, or investment power, which includes the power to dispose of or to direct the disposition of the security. Except as indicated in the footnotes to this table, each beneficial owner named in the table below has sole voting and sole investment power with respect to all shares beneficially owned and each person's address is c/o Alliqua BioMedical, Inc., 2150 Cabot Boulevard West, Suite B, Langhorne, PA 19047. As of May 3, 2018, we had 5,005,211 shares outstanding.

| Name of Beneficial Owner | Number of Shares Beneficially Owned(1) | Percentage Beneficially Owned(1) |
|---|--|----------------------------------|
| 5% Owners | | |
| Celgene Corporation 86 Morris Avenue Summit, New Jersey 07901 | 902,519(2) | 17.7% |
| Perceptive Advisors, LLC 499 Park Avenue, 25th Floor New York, NY 10022 | 643,730(3) | 12.3% |
| Officers and Directors | | |
| David I. Johnson | 342,814(4) | 6.7% |
| Joseph Warusz | | |
| Brian M. Posner(12) | 84,656(5) | 1.7% |
| Bradford C. Barton(13) | 102,798(6) | 2.0% |
| Pellegrino Pionati(14) | 60,660(7) | 1.2% |
| Joseph M. Leone | 21,194(8) | * |
| Jeffrey Sklar | 18,805(9) | * |
| Gary Restani | 15,700(10) | * |
| Mark Wagner | 54,430(11) | 1.1% |
| Directors and executive officers as a group (9 persons) | 581,057 | 13.2% |

*

Represents ownership of less than 1%

(1)

Shares of common stock beneficially owned and the respective percentages of beneficial ownership of common stock assumes the exercise of all options, warrants and other securities convertible into common stock beneficially owned by such person or entity currently exercisable or exercisable within 60 days of May 3, 2018. Shares issuable pursuant to the exercise of stock options and warrants exercisable within 60 days are deemed outstanding and held by the holder of such options or warrants for computing the percentage of outstanding common stock beneficially owned by such person, but are not deemed outstanding for computing the percentage of outstanding common stock beneficially owned by any other person.

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(2)

Based on information contained in Amendment No. 8 to Schedule 13D filed with the SEC on June 27, 2017.

Comprised of (i) 804,610 shares of our common stock owned directly by Celgene Corporation, and (ii) 97,909 shares of our common stock issuable to Celgene Corporation upon the exercise of warrants that are currently exercisable. Celgene Corporation is a publicly traded corporation listed on NASDAQ.

(3)

Based on information contained in Schedule 13G filed on February 14, 2018. Comprised of (i) 429,108 shares of our common stock owned directly by Perceptive Advisors, LLC, and (ii) 214,622 shares of our common stock issuable to Perceptive Advisors, LLC upon the exercise of warrants that are currently exercisable.

(4)

Comprised of (i) 199,454 shares of our common stock owned directly by Mr. Johnson, (ii) 141,949 shares of our common stock issuable to Mr. Johnson upon the exercise of stock options that are vested or will vest within 60 days of May 3, 2018, and (iii) 1,411 shares of common stock issuable upon the exercise of warrants held by Mr. Johnson.

(5)

Comprised of (i) 47,642 shares of our common stock owned directly by Mr. Posner, and (ii) 37,014 shares of our common stock issuable to Mr. Posner upon the exercise of stock options that are vested or will vest within 60 days of May 3, 2018.

(6)

Comprised of (i) 55,882 shares of our common stock owned directly by Mr. Barton, (ii) 45,928 shares of our common stock issuable to Mr. Barton upon the exercise of stock options that are vested or will vest within 60 days of May 3, 2018, and (iii) 988 shares of common stock issuable upon the exercise of warrants held by Mr. Barton.

(7)

Comprised of (i) 50,660 shares of our common stock owned directly by Mr. Pionati, and (ii) 10,000 shares of our common stock issuable to Mr. Pionati upon the exercise of vested stock options.

(8)

Comprised of (i) 4,383 shares of our common stock owned directly by Mr. Leone, (ii) 16,529 shares of our common stock issuable to Mr. Leone upon the exercise of stock options that are vested or will vest within 60 days of May 3, 2018, and (iii) 282 shares of common stock issuable upon the exercise of warrants held by Mr. Leone.

(9)

Comprised of (i) 2,436 shares of our common stock owned directly by Mr. Sklar, (ii) 69 shares of our common stock held in a custodial account for a child, of which Mr. Sklar disclaims beneficial ownership, and (iii) 16,300 shares of our common stock issuable to Mr. Sklar upon the exercise of stock options that are vested or will vest within 60 days of May 3, 2018.

(10)

Comprised of shares of our common stock issuable to Mr. Restani upon the exercise of stock options that are vested or will vest within 60 days of May 3, 2018.

(11)

Comprised of (i) 7,050 shares of our common stock owned directly by Mr. Wagner, (ii) 32,380 shares owned directly by 2003 Revocable Trust of Mark Wagner dated April 23, 2003 (the "Wagner Trust") and (iii) 15,000 shares of our common stock issuable to Mr. Wagner upon the exercise of stock options that are vested or will vest within 60 days of May 3, 2018. Mr. Wagner is the trustee and deemed to have a pecuniary interest in, and therefore to be the beneficial

owner of, shares held by the Wagner Trust. The Wagner Trust acquired 17,403 shares as part of the merger consideration for the acquisition of Celleration on May 29, 2015.

(12)

Mr. Posner resigned as our Chief Financial Officer, Secretary and Treasurer effective April 1, 2018.

(13)

Mr. Barton ceased employment as our Chief Operating Officer effective May 7, 2018.

(14)

Mr. Pionati ceased employment as our Chief Strategy and Marketing Officer effective May 7, 2018.

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SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our directors and officers, and persons who own more than ten percent of our common stock, to file with the SEC initial reports of ownership and reports of changes in ownership of our common stock. Directors, officers and persons who own more than ten percent of our common stock are required by SEC regulations to furnish us with copies of all Section 16(a) forms they file.

To our knowledge, based solely on a review of the copies of such reports furnished to us, during the fiscal year ended December 31, 2017, each of our directors, officers and greater than ten percent stockholders complied with all Section 16(a) filing requirements applicable to our directors, officers and greater than ten percent stockholders, except for one late one late Form 4 filed by Mr. Pionati with respect to one transaction.

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PROPOSAL 1: ELECTION OF DIRECTORS

The board of directors currently consists of five members. All directors hold office for a one-year term until the election and qualification of their successors.

Each of the persons set forth below has been nominated for election as a director by the board of directors to serve for a term of office to expire at the annual meeting of stockholders in 2019, to hold office until his successor has been duly elected and qualified. Stockholders will be unable to vote for more than five persons. The five director nominees who receive the most votes cast in the election of directors will be elected. Should any of the director nominees become unable or unwilling to accept nomination or election, the proxy holders may vote the proxies for the election, in his stead, of any other person the board of directors may nominate or designate. Each of the director nominees has expressed his intention to serve the entire term for which election is sought.

Directors and Nominees

The following table and text set forth the name, age and positions of each director nominee:

| Name | Age | Position |
|---------------|-----|---|
| David Johnson | 60 | President, Chief Executive Officer and Director |
| Mark Wagner | 61 | Director |
| Joseph Leone | 64 | Director |
| Gary Restani | 71 | Director |
| Jeffrey Sklar | 55 | Director |

The following sets forth biographical information and the qualifications and skills for each director nominee:

David Johnson was appointed to our board and as Executive Chairman of Aquamed Technologies, Inc., our wholly owned subsidiary, on November 29, 2012. He was appointed our President and Chief Executive Officer on February 4, 2013. Mr. Johnson was formerly President of the ConvaTec Division of Bristol-Myers Squibb, Inc. until 2008 when he orchestrated a sale of the division from its pharmaceutical parent to Avista Capital Partners and Nordic Capital in a deal valued at \$4.1 billion. Concurrently, he acquired and integrated the assets of Copenhagen-based Unomedical to expand ConvaTec Inc.'s manufacturing and infrastructure into Europe. From 2008 through 2012, Mr. Johnson served as the Chief Executive Officer of ConvaTec Inc. Prior to his tenure with ConvaTec Inc., Mr. Johnson held several senior positions in the U.S., Europe and Canada with Zimmer Inc., Fisher Scientific, and Baxter Corporation. He served as a member of ConvaTec Inc.'s board of directors and the board of the Advanced Medical Technology Association (AdvaMed), where he chaired the Global Wound Sector Team for four years. Mr. Johnson received an Undergraduate Business Degree in Marketing from the Northern Alberta Institute of Technology in Edmonton, Alberta, Canada, completed the INSEAD Advanced Management Program in Fontainebleau, France, and is a fellow from the Wharton School of the University of Pennsylvania. Mr. Johnson's extensive experience in the pharmaceutical and biotechnology fields, as well as his executive leadership experience, make him an asset that will serve as a bridge between the board of directors and our executive officers.

Mark Wagner was appointed to our board of directors on May 29, 2015. He previously served as a director and as the President and Chief Executive Officer of Celleration from June 2009 through our acquisition of Celleration. Prior to joining Celleration, he cofounded Orasi Medical Inc., a privately held medical device and technology company, and served as a member of its board of directors from 2007 through 2012. Mr. Wagner has also served as Chief Executive Officer at several emerging companies in the medical device and healthcare industry, including ProVation Medical, Inc., a health information technology company, Survivalink Corporation, a medical device manufacturer, and Altiva Corporation, a spinal implant device company. Earlier in his career, Mr. Wagner held executive and management level positions at Nellcor Puritan Bennett and numerous other positions during his 15 year tenure with GE Healthcare. He is currently on the board of directors of Minnetronix, Inc. and MiroMatrix, Inc. Mr. Wagner holds a B.S. in

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Business Administration from the University of Southern California. Mr. Wagner has decades of leadership experience in the medical device field and healthcare industry, as well as his traditional corporate background with emerging growth companies, which makes him a valuable resource on the board of directors.

Joseph Leone has served as a member of our board of directors since January 3, 2011. Mr. Leone spent more than 24 years with CIT Group, one of the nation's largest small and mid-size business lenders, and held several senior-level positions at CIT, including Vice Chairman and Chief Financial Officer from May 1995 through April 2010. From 1975 through 1983, Mr. Leone was employed by KPMG — Peat Marwick as a Senior Manager for Financial Services Clients including Citibank and Manufacturers Hanover Bank. He has been a Certified Public Accountant since 1977. Mr. Leone is a graduate of Baruch College (BBA in Accounting) and the Advanced Management Program at Harvard Business School. Mr. Leone serves as a Trustee and the Chairman of the Audit Committee of The Baruch College Fund. Since December 2012, Mr. Leone has served as Director of RMH Franchise Holdings, a privately owned company with over 150 franchise restaurants in 15 states and revenues over \$350 million. Mr. Leone's extensive background in accounting and finance makes him a valuable member of the board.

Gary Restani has served as a member of our board of directors since July 21, 2014. Until April 2014, he was President and Chief Executive Officer of Spiracur Inc., a privately held medical device company focused on the development of innovative wound healing technologies. Mr. Restani has more than 40 years of experience in the medical device industry. He served as President and Chief Operating Officer of Hansen Medical, Inc. from October 2006 to February 28, 2009. From December 1999 to June 2006, he served as President of ConvaTec, Inc. From March 1995 to November 1999, Mr. Restani served as the President of various international divisions of Zimmer, Inc., a medical device and surgical tool company. From March 1990 to February 1995, Mr. Restani served as President of various international divisions of Smith & Nephew Orthopedics, Inc., an orthopedics, endoscopy and wound management company. He served as Director of Synovis Orthopedic and Woundcare, Inc. (alternate name, Pegasus Biologics, Inc.) from 2007 to 2011. Mr. Restani served as a Director of Corpak Medsystems until 2014, and with DFine Inc. from 2007 to 2012. He served on the board of AdvaMed from 1997 to 2006 as well as the Leadership Board of the Cleveland Clinic's Center for Digestive Diseases from 2000 to 2006. He served as a Director of Hansen Medical, Inc. from September 2006 to June 17, 2009. He attended Sir George Williams University and Loyola University and holds a certificate from Dartmouth College for completing the Tuck School of Business' General Management Executive Program. Mr. Restani's extensive experience in the medical technology sector, as well as his executive leadership experience, make him a valuable resource on the board.

Jeffrey Sklar has served as a member of our board of directors since January 3, 2011. Mr. Sklar has served as the Managing Partner of Sklar, Heyman Hirshfield, & Kantor LLP, a regional accounting firm, where he oversees the industry specialization team for non-bank financial institutions and for forensic and investigative auditing services, since January 2010 and prior to that, from January 2006 to December 2009, he served as an audit partner. Since 2000, Mr. Sklar has also served as the Managing Director of SHC Consulting Group, LLC. Mr. Sklar served Public Savings Bank as a Director, as the Chair of the Compliance and Risk Committee, and as a member of the Audit Committee from September 2010 to September 2011. In addition to being a Certified Public Accountant, Mr. Sklar is a Certified Financial Crime Specialist, Certified Anti-Money Laundering Specialist, Certified Fraud Specialist and Certified in Financial Forensics by the American Institute of CPAs. He also serves on the Advisory Board of the Association of Financial Crime Specialists. Mr. Sklar's qualifications to serve on the board include his extensive background in accounting and finance.

The board of directors regards all of the individuals above as competent professionals with many years of experience in the business community. The board of directors believes that the overall experience and knowledge of the members of the board of directors will contribute to the overall success of our business.

Unless otherwise directed in the proxy, it is the intention of the persons named in the proxy to vote the shares represented by such proxy for the election of the director nominees. Each of the seven director nominees is presently a director of the Company.

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The board of directors does not contemplate that any of the above-named director nominees will refuse or be unable to accept election as a director of the Company or be unable to serve as a director of the Company. Should any of them become unavailable for election or refuse to accept election as a director of the Company, then the persons named in the form of proxy intend to vote the shares represented in such proxy for the election of such other person or persons as may be designated by the board of directors.

Family Relationships

There are no family relationships among any of the director nominees or executive officers of the Company.

Vote Required

The five director nominees who receive a plurality of the votes cast in the election of directors will be elected.

The board of directors recommends a vote FOR the five director nominees.

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EXECUTIVE OFFICERS

The following sets forth biographical information and the qualifications and skills of Joseph Warusz, our chief financial officer, treasurer and secretary:

Joseph Warusz, age 61, was appointed to serve as our Chief Financial Officer, Treasurer and Secretary on April 1, 2018. Mr. Warusz has more than 25 years of diversified management experience at a public accounting firm and array of public companies in the life sciences sector. Most recently, he served as Chief Financial Officer of Soligenix, Inc., a publicly-traded biotechnology company focused on developing products that address unmet medical needs in the areas of inflammation, oncology and biodefense, from June 2010 to June 2016, when he retired. Prior to that, he held senior financial positions at Amicus Therapeutics, Orchid BioSciences and Bristol Myers Squibb. Mr. Warusz started his career with KPMG, formerly known as Peat Marwick Main & Co. Mr. Warusz received his BS in accounting and MBA in finance at Drexel University and is a Certified Public Account in the state of Pennsylvania.

EXECUTIVE COMPENSATION

Compensation Philosophy and Process

The responsibility for establishing, administering and interpreting our policies governing the compensation and benefits for our executive officers lies with our compensation committee and our board of directors. Our board of directors has not retained the services of any compensation consultants in connection with the compensation of our executive officers.

The goals of our executive compensation program are to attract, motivate and retain individuals with the skills and qualities necessary to support and develop our business within the framework of our size and available resources. We have designed our executive compensation program to achieve the following objectives:

- attract and retain executives experienced in developing and delivering products such as our own;
- motivate and reward executives whose experience and skills are critical to our success;
- reward performance; and
- align the interests of our executive officers and stockholders by motivating executive officers to increase stockholder value.

The compensation committee may delegate its responsibilities and authority to a subcommittee. Our executive officers played no role in determining or recommending the amount or form of executive and director compensation for 2017.

2017 and 2016 Summary Compensation Table

The table below sets forth, for the fiscal years ended December 31, 2017 and 2016, the compensation paid to our named executive officers: (i) David Johnson, our president and chief executive officer and a member of our board; (ii) Brian Posner, our former chief financial officer, treasurer and secretary; (iii) Bradford Barton, our former chief operating officer; and (iv) Pellegrino Pionati, our former chief strategy and marketing officer.

| Name and Principal Position | Year | Salary | Bonus | Stock Awards(1) | Option Awards(1) | All Other Compensation | Total |
|--|------|------------|---------------|-----------------|------------------|------------------------|------------|
| David Johnson President and Chief Executive Officer | 2017 | \$ 350,000 | \$ 276,500(3) | \$ 274,000 | \$ — | \$ 11,400(5) | \$ 911,900 |
| | 2016 | \$ 350,000 | \$ 245,000(4) | \$ 258,000 | \$ — | \$ 11,400(5) | \$ 864,400 |

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| | | | | | | | |
|--|------|------------|---------------|------------|------|-------------|------------|
| Brian Posner(2) Chief Financial Officer, Treasurer and Secretary | 2017 | \$ 246,800 | \$ 118,310(8) | \$ 103,829 | \$ — | \$ 8,400(6) | \$ 477,339 |
| | 2016 | \$ 240,000 | \$ 100,800(4) | \$ 86,000 | \$ — | \$ 8,400(6) | \$ 435,200 |
| Bradford Barton(9) Chief Operating Officer | 2017 | \$ 246,800 | \$ 118,310(3) | \$ 103,829 | \$ — | \$ 8,400(7) | \$ 477,339 |
| | 2016 | \$ 240,000 | \$ 100,800(4) | \$ 86,000 | \$ — | \$ 8,400(7) | \$ 435,200 |
| Pellegrino Pionati(10) Chief Strategy and Marketing Officer | 2017 | \$ 246,800 | \$ 118,310(3) | \$ 103,829 | \$ — | \$ 8,400(6) | \$ 477,339 |
| | 2016 | \$ 240,000 | \$ 100,800(4) | \$ 86,000 | \$ — | \$ 8,400(6) | \$ 435,200 |

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(1)

The amounts reported represent the aggregate grant date fair value of the awards, calculated in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 — Compensation — Stock Compensation (“ASC 718”), with the exception that the amount shown assumes no forfeitures. Assumptions used in the calculation of these amounts are included in “Note 2. Summary of Significant Accounting Policies — Stock-Based Compensation” and “Note 15. Stockholders’ Equity” to our audited financial statements for the fiscal year ended December 31, 2017 included in the 2017 Annual Report.

(2)

Effective April 1, 2017, Mr. Posner resigned as Chief Financial Officer.

(3)

Discretionary year-end performance bonus earned in 2017 to be paid in 2018.

(4)

Discretionary year-end performance bonus earned in 2016 and paid in 2017 in shares of restricted stock

(5)

Comprised of (i) auto expense allowance payments of \$9,000 and (ii) life insurance premium payments of \$2,400.

(6)

Comprised of auto expense allowance payments.

(7)

Comprised of auto expense and telephone allowance payments.

(8)

Discretionary year-end performance bonus earned in 2017 to be paid in a lump sum payment in 2018 payable within 30 days of May 7, 2018.

(9)

Effective May 7, 2018, we entered into a separation agreement with Mr. Barton pursuant to which Mr. Barton ceased employment as our Chief Operating Officer.

(10)

Effective May 7, 2018, we entered into a separation agreement with Mr. Pionati pursuant to which Mr. Pionati ceased employment as our Chief Strategy and Marketing Officer

Agreements with Executive Officers

David Johnson

In connection with the appointment of David Johnson as Chief Executive Officer, on February 4, 2013, we entered into an Executive Employment Agreement with Mr. Johnson. The employment agreement has an initial term of three years and will be automatically renewed for an additional one-year term unless terminated by either party upon written notice provided not less than four months before the end of the initial term. Under the employment agreement, Mr. Johnson is entitled to an annual salary of \$350,000, which may be increased, but not decreased, at the board’s discretion. Mr. Johnson is also eligible to receive an annual bonus of up to 100% of his base salary, provided that he is employed with us on December 31 of the year to which the bonus relates. The amount of Mr. Johnson’s annual bonus, if any, will be determined based upon the achievement of certain performance criteria. The performance criteria for each year will be set by the compensation committee after consultation with Mr. Johnson. Mr. Johnson is also entitled

to a monthly automobile allowance of \$750 per month, reimbursement of up to \$200 per month for the cost of a term life insurance policy having a face amount of \$1 million, and benefit plans provided by us to all employees and executive employees.

Mr. Johnson is entitled to receive the following equity awards pursuant to our 2011 Long-Term Incentive Plan or, if there are not sufficient shares available under the 2011 Long-Term Incentive Plan, pursuant to a stand-alone award agreement:

(i)
a nonqualified stock option to purchase a number of shares of our common stock equal to three percent of the total outstanding common stock (determined on a fully-diluted basis as of February 4, 2013), with the following terms: (A) an exercise price equal the fair market value of a share of common stock on the date of grant; (B) immediate vesting; and (C) a term of 10 years; and

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(ii)

an award of nonqualified stock options on the last business day of each calendar quarter through February 4, 2016 relating to a number of shares of common stock equal to 0.333% percent of our outstanding common stock as of the date of grant (determined on a fully-diluted basis), with the following terms: (A) an exercise price equal to the fair market value of a share of common stock on the date of grant, (B) the first eight (8) grants will be 100% vested on the first anniversary of their respective dates of grant and the last four (4) grants will be 100% vested on the date of grant, (C) immediate vesting of any unvested restricted stock units upon the effective date of a “Change in Control” (as defined in the 2011 Long-Term Incentive Plan) and (D) a term of ten years.

Mr. Johnson is also eligible to receive additional equity awards in such amount and on such terms as is determined by the board. Mr. Johnson received the first award set forth above on February 4, 2013. He was awarded options to purchase 27,923 shares of common stock at an exercise price of \$32.80 per share. Mr. Johnson received stock option grants for the first, second and third calendar quarters of 2013 under the second award set forth above on November 14, 2013. He was awarded an aggregate of 11,713 shares of common stock at an exercise price of \$35.00 per share. The foregoing share numbers and prices have been adjusted for the 1 for 43.75 reverse stock split of our common stock that occurred on November 18, 2013 and a 1 for 10 reverse stock split of our common stock that occurred on October 5, 2017.

On December 20, 2013, we entered into a First Amendment to Executive Employment Agreement with Mr. Johnson, which amended the employment agreement to provide for a single stock option award in lieu of all of the remaining quarterly grants thereunder. Pursuant to the amendment, Mr. Johnson received a nonqualified stock option to purchase 73,058 shares of our common stock at an exercise price equal to \$68.20 per share on December 20, 2013. The option has a term of ten years, with one-ninth of the optioned shares vesting on the first day of each calendar quarter during the period commencing on January 1, 2014 and ending on February 4, 2016, provided that Mr. Johnson remains employed by us on such date, and subject to the terms and conditions of that certain nonqualified stock option agreement by and between us and Mr. Johnson, effective as of December 20, 2013.

The employment agreement also contains certain confidentiality, non-solicitation and non-disparagement requirements for Mr. Johnson.

We have the right to terminate the employment agreement at any time for cause. “Cause” is defined as Mr. Johnson’s commission of any of the following: an act of theft, embezzlement or fraud; an act of intentional dishonesty or willful misrepresentation of a material nature; any willful misconduct with regard to us; a material breach of any fiduciary duties owed to us; conviction of, or pleading nolo contendere or guilty to, a felony or misdemeanor (other than a traffic infraction) that is reasonably likely to cause damage to us or our reputation; a material violation of our written policies, standards or guidelines that is not cured within 30 days; refusal to perform the material duties and responsibilities required by the employment agreement, subject to a 30 day cure period; and a material breach of the employment agreement or any other agreement to which Mr. Johnson and we are parties that is not cured within 30 days. The employment agreement may also be terminated by either party at any time without cause upon 30 days written notice, and by Mr. Johnson with good reason upon 90 days written notice, which shall include a 30 day cure period. “Good Reason” is defined as the occurrence, without Mr. Johnson’s prior written consent, of a material reduction in base salary, a material diminution in title, duties, responsibility or authority, relocation of his primary office to an office located 35 miles from the office in Langhorne, Pennsylvania, a material breach by us of any agreement with Mr. Johnson or failure by us to have any successor assume the employment agreement.

If Mr. Johnson is terminated by reason of death or disability, we will pay to him or his estate or a pro rata portion of any earned, but unpaid, bonus for services rendered during the year preceding the date of termination. If Mr. Johnson’s employment is terminated by us without cause or by him with good reason, subject to compliance with the confidentiality, non-solicitation and non-disparagement requirements of the employment agreement and the execution of a release of claims, (i) we will pay him an amount equal to the sum of 24 months base salary; (ii) either his pro rata bonus for the year if termination of employment is in the first two years of the term, or two years of bonus calculated at the target bonus level (payable over 24 months) if termination is after the first two years of the term; (iii) all outstanding stock options and other equity awards granted to Mr. Johnson will vest, to the extent not previously vested, and the stock options will remain exercisable for three months; and (iv) we will provide continued

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healthcare coverage until the earlier of (x) the expiration of the severance period, or (y) the date that Mr. Johnson's "COBRA" coverage terminates or expires or (z) the date that Mr. Johnson obtains new employment that offers substantially similar health benefits.

The 2018 performance criteria for Mr. Johnson are based on the Company's achievement of certain financial and operational goals.

Brian Posner

Posner Separation Agreement

On March 15, 2018, Brian Posner delivered his resignation as Chief Financial Officer, Secretary and Treasurer of the Company, effective April 1, 2018.

In connection with his resignation, on March 15, 2018, the Company and Mr. Posner entered into a general release and severance agreement (the "Separation Agreement"), which became effective on March 23, 2018. Pursuant to the Separation Agreement, Mr. Posner released the Company from any and all claims. In consideration of the Separation Agreement and his general release of claims, Mr. Posner is entitled (i) to his 2017 performance bonus in the amount of \$118,310.40 (less applicable taxes and other withholdings), and (ii) (A) severance pay in an amount equal to his base salary for twelve (12) months, less applicable taxes and other withholdings, payable in a lump sum payment on or before the thirtieth (30th) day following May 7, 2018, and (B) the stock options and restricted stock previously granted to Mr. Posner: (1) remained outstanding and eligible for vesting as if he were employed by the Company through May 7, 2018 and became fully and immediately vested upon such date, and (2) the stock options shall remain exercisable for two (2) years following April 1, 2018, or, if sooner, until the end of the applicable stock option's term.

Posner Employment Agreement

In connection with his appointment as Chief Financial Officer, pursuant to an offer letter dated July 19, 2013, we agreed to pay Mr. Posner an annual salary of \$240,000, an annual bonus of up to 60% of his prorated annual base salary based on the achievement of mutually agreed upon objectives (either in equity or cash, to be determined), a monthly stipend of \$700 to cover auto expenses, and medical, dental, 401(k), group life and long-term disability benefits.

On June 5, 2015, we entered into an employment agreement with Mr. Posner (the "Posner Employment Agreement"), which amended and restated the terms set forth in that certain offer letter dated July 19, 2013 in its entirety. The Posner Employment Agreement provided for a term of employment that continued until terminated by either party. Under the Posner Employment Agreement, Mr. Posner was entitled to an annual base salary of \$240,000, less applicable payroll deductions and tax withholdings. He was also eligible to receive an annual bonus of up to 60% of his annual base salary for each calendar year during employment based upon the achievement of certain performance criteria, provided that he is employed by us through the end of the applicable calendar year to which the bonus relates, subject to certain exceptions. The performance criteria for each year was established reasonably and in good faith by the board. Mr. Posner was also entitled to a monthly automobile allowance of \$700 per month, reimbursement of certain out-of-pocket expenses reasonably incurred in connection with the performance of his services and benefit plans provided by us to all employees.

The Posner Employment Agreement also contained certain confidentiality, non-competition, non-solicitation and assignment of work product covenants for Mr. Posner.

Mr. Posner's employment was terminable by either party at any time upon written notice. If Mr. Posner's employment was terminated by us for cause or by Mr. Posner without good reason, we were to pay Mr. Posner an amount equal to the sum of (i) all unpaid base salary accrued through the date of termination, (ii) all unpaid performance bonus earned and accrued for a previously completed calendar year, (iii) all accrued and unpaid vacation or similar pay required by law and (iv) any unreimbursed expenses properly incurred prior to the termination date.

If Mr. Posner's employment was terminated by us without cause or by Mr. Posner for good reason, subject to the timely execution and return by Mr. Posner of an irrevocable release of claims within 60 days

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following the date of termination, then we were to pay Mr. Posner a lump sum amount equal to the accrued obligations set forth in (i) through (iv) above, plus severance pay in an amount equal to his base salary for 12 months, payable in equal installments in accordance with our normal payroll policies. If, prior to such termination, Mr. Posner was employed by us through at least July 1st of the applicable calendar year, he was also eligible to receive a pro-rata portion of any annual performance bonus earned during such calendar year, with the amount prorated based on the number of days employed during such calendar year. In addition, all outstanding stock options and restricted stock awards granted to Mr. Posner were to immediately vest in full and the stock options remain exercisable for two years following the termination date or, if sooner, until the end of the applicable stock option's term. We were also provide continued health benefits coverage until the earlier of the expiration of the 12 month severance period and the date that Mr. Posner becomes eligible for comparable employer sponsored health benefits.

Bradford Barton

On May 7, 2018 Mr. Barton ceased employment as our Chief Operating Officer of the Company.

Barton Separation Agreement

In connection with his separation from the Company, on May 7, 2018, the Company and Mr. Barton entered into a general release and severance agreement (the "Barton Separation Agreement"), which became effective on May 15, 2018. Pursuant to the Barton Separation Agreement, Mr. Barton released the Company from any and all claims. In consideration of the Barton Separation Agreement and his general release of claims, Mr. Barton is entitled to (i) his 2017 performance bonus in the amount of \$118,310.40 (less applicable taxes and other withholdings), (ii) severance pay in an amount equal to his base salary for twelve (12) months, less applicable taxes and other withholdings, payable in a lump sum payment on or before the thirtieth (30th) day following May 7, 2018, (iii) for a period of twelve (12) months or until Mr. Barton becomes eligible for comparable employer sponsored health plan benefits, whichever is sooner, all health plan benefits to which Mr. Barton was entitled prior to the separation date under any such benefit plans or arrangements maintained by the Company in which Mr. Barton participated, which benefits shall be determined and paid in accordance with the Company's plans or arrangements and shall be provided pursuant to COBRA with the relative costs therefor being paid by the Company and Mr. Barton in the same proportion as existed while Mr. Barton was an active employee of the Company and (iv) the stock options and restricted stock previously granted to Mr. Barton: (1) became fully and immediately vested upon May 7, 2018, and (2) the stock options shall remain exercisable for two (2) years following May 7, 2018, or, if sooner, until the end of the applicable stock option's term.

Barton Employment Agreement

In connection with his appointment as Chief Operating Officer, pursuant to an offer letter dated May 14, 2013, we agreed to pay Mr. Barton an annual salary of \$240,000, an annual bonus of up to 60% of his prorated annual base salary based on the achievement of mutually agreed upon objectives, a monthly stipend of \$700 to cover auto and telephone expenses, and medical, dental, 401(k), group life and long-term disability benefits.

On June 5, 2015, we entered into an employment agreement with Mr. Barton (the "Barton Employment Agreement"), which amended and restated the terms set forth in that certain offer letter dated May 14, 2013 in its entirety. The Barton Employment Agreement provided for a term of employment that continued until terminated by either party. Under the Barton Employment Agreement, Mr. Barton was entitled to an annual base salary of \$240,000, less applicable payroll deductions and tax withholdings. He was also eligible to receive an annual bonus of up to 60% of his annual base salary for each calendar year during employment based upon the achievement of certain performance criteria, provided that he was employed by us through the end of the applicable calendar year to which the bonus relates, subject to certain exceptions. The performance criteria for each year was established reasonably and in good faith by the board. Mr. Barton was also entitled to a monthly automobile allowance of \$700 per month, reimbursement of certain out-of-pocket expenses reasonably incurred in connection with the performance of his services and benefit plans provided by us to all employees.

The Barton Employment Agreement also contained certain confidentiality, non-competition, non-solicitation and assignment of work product covenants for Mr. Barton.

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Mr. Barton's employment was terminable by either party at any time upon written notice. If Mr. Barton's employment was terminated by us for cause or by Mr. Barton without good reason, we were to pay Mr. Barton an amount equal to the sum of (i) all unpaid base salary accrued through the date of termination, (ii) all unpaid performance bonus earned and accrued for a previously completed calendar year, (iii) all accrued and unpaid vacation or similar pay required by law and (iv) any unreimbursed expenses properly incurred prior to the termination date.

If Mr. Barton's employment was terminated by us without cause or by Mr. Barton for good reason, subject to the timely execution and return by Mr. Barton of a release of claims of an irrevocable release of claims within 60 days following the date of termination, then we were to pay Mr. Barton a lump sum amount equal to the accrued obligations set forth in (i) through (iv) above, plus severance pay in an amount equal to his base salary for 12 months, payable in equal installments in accordance with our normal payroll policies. If, prior to such termination, Mr. Barton was employed by us through at least July 1st of the applicable calendar year, he was also eligible to receive a pro-rata portion of any annual performance bonus earned during such calendar year, with the amount prorated based on the number of days employed during such calendar year. In addition, all outstanding stock options and restricted stock awards granted to Mr. Barton would immediately vest in full and the stock options will remain exercisable for two years following the termination date or, if sooner, until the end of the applicable stock option's term. We were also to provide continued health benefits coverage until the earlier of the expiration of the 12 month severance period and the date that Mr. Barton becomes eligible for comparable employer sponsored health benefits.

The 2017 performance criteria for Mr. Barton are the same as those described above for Mr. Johnson.

Pellegrino Pionati

On May 7, 2018 Mr. Pionati ceased employment as our Chief Strategy and Marketing Officer of the Company.

Pionati Separation Agreement

In connection with his separation from the Company, on May 7, 2018, the Company and Mr. Pionati entered into a general release and severance agreement (the "Pionati Separation Agreement"), which became effective on May 15, 2018. Pursuant to the Pionati Separation Agreement, Mr. Pionati released the Company from any and all claims. In consideration of the Pionati Separation Agreement and his general release of claims, Mr. Pionati is entitled to (i) his 2017 performance bonus in the amount of \$118,310.40 (less applicable taxes and other withholdings), (ii) severance pay in an amount equal to his base salary for twelve (12) months, less applicable taxes and other withholdings, payable in a lump sum payment on or before the thirtieth (30th) day following May 7, 2018, (iii) for a period of twelve (12) months or until Mr. Pionati becomes eligible for comparable employer sponsored health plan benefits, whichever is sooner, all health plan benefits to which Mr. Pionati was entitled prior to the separation date under any such benefit plans or arrangements maintained by the Company in which Mr. Pionati participated, which benefits shall be determined and paid in accordance with the Company's plans or arrangements and shall be provided pursuant to COBRA with the relative costs therefor being paid by the Company and Mr. Pionati in the same proportion as existed while Mr. Pionati was an active employee of the Company and (iv) the stock options and restricted stock previously granted to Mr. Pionati: (1) became fully and immediately vested upon May 7, 2018, and (2) the stock options shall remain exercisable for two (2) years following May 7, 2018, or, if sooner, until the end of the applicable stock option's term.

Pionati Employment Agreement

In connection with Mr. Pionati's appointment as Chief Strategy and Marketing Officer, on June 3, 2015, we entered into an employment agreement with Mr. Pionati (the "Pionati Employment Agreement") for a term of employment that commenced on June 15, 2015 and continued until terminated by either party. Under the Pionati Employment Agreement, Mr. Pionati was entitled to an annual base salary of \$240,000, less applicable payroll deductions and tax withholdings. He was also eligible to receive an annual bonus of up to 60% of his annual base salary for each calendar year during employment based upon the achievement of certain performance criteria, provided that he is employed by us through the end of the applicable calendar year to which the bonus relates, subject to certain exceptions. The performance criteria for each

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year was established reasonably and in good faith by our board of directors. Mr. Pionati is also entitled to a monthly automobile allowance of \$700 per month, reimbursement of certain out-of-pocket expenses reasonably incurred in connection with the performance of his services and benefit plans provided by us to all employees.

The Pionati Employment Agreement also contained certain confidentiality, non-competition, non-solicitation and assignment of work product covenants for Mr. Pionati.

Mr. Pionati's employment was terminable by either party at any time upon written notice. If Mr. Pionati's employment was terminated by us for cause or by Mr. Pionati without good reason, we were to pay Mr. Pionati an amount equal to the sum of (i) all unpaid base salary accrued through the date of termination, (ii) all unpaid performance bonus earned and accrued for a previously completed calendar year, (iii) all accrued and unpaid vacation or similar pay required by law and (iv) any unreimbursed expenses properly incurred prior to the termination date.

If Mr. Pionati's employment was terminated by us without cause or by Mr. Pionati for good reason, subject to the timely execution and return by Mr. Pionati of an irrevocable release of claims within 60 days following the date of termination, then were to pay Mr. Pionati a lump sum amount equal to the accrued obligations set forth in (i) through (iv) above, plus severance pay in an amount equal to his base salary for 12 months, payable in equal installments in accordance with our normal payroll policies. If, prior to such termination, Mr. Pionati was employed by us through at least July 1st of the applicable calendar year, he was also eligible to receive a pro-rata portion of any annual performance bonus earned during such calendar year, with the amount prorated based on the number of days employed during such calendar year. In addition, all outstanding stock options and restricted stock awards granted to Mr. Pionati would immediately vest in full and the stock options will remain exercisable for two years following the termination date or, if sooner, until the end of the applicable stock option's term. We were also to provide continued health benefits coverage until the earlier of the expiration of the 12 month severance period and the date that Mr. Pionati becomes eligible for comparable employer sponsored health benefits.

In connection with his appointment, on June 15, 2015, Mr. Pionati received (i) stock options to purchase 10,000 shares of common stock at an exercise of \$52.50 per share, with one-third vesting on each of June 15, 2016, 2017 and 2018, and (ii) a restricted stock award of 12,000 shares of restricted common stock with 25% vesting on each of June 15, 2015, 2016, 2017 and 2018, in each case, provided that Mr. Pionati is employed by or providing services to us through the applicable vesting date, subject to the terms and conditions of the Alliqua BioMedical, Inc. 2014 Long-Term Incentive Plan.

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Outstanding Equity Awards at Fiscal Year End

The following table sets forth information regarding equity awards that have been previously awarded to each of the named executive officers and which remained outstanding as of December 31, 2017:

| Name | Option Awards | | | Stock Awards | | |
|--------------------|---|---|-----------------------|------------------------|---|---|
| | Number of Securities Underlying Unexercised Options Exercisable | Number of Securities Underlying Unexercised Options Unexercisable | 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 |
| David Johnson | 5,920 | — | \$ 43.80 | 11/29/22 | | |
| David Johnson | 5,920 | — | \$ 65.60 | 11/29/22 | | |
| David Johnson | 5,920 | — | \$ 87.50 | 11/29/22 | | |
| David Johnson | 27,923 | — | \$ 32.80 | 02/04/23 | | |
| David Johnson | 11,713 | — | \$ 35.00 | 11/14/23 | | |
| David Johnson | 73,058 | — | \$ 68.20 | 12/20/23 | | |
| David Johnson | 7,668 | 3,834(1) | \$ 62.30 | 02/06/25 | | |
| David Johnson | | | | | 10,000(2) | \$ 18,100(3) |
| David Johnson | | | | | 30,000(4) | \$ 54,300(3) |
| David Johnson | | | | | 50,000(5) | \$ 90,500(3) |
| David Johnson | | | | | 30,000(6) | \$ 54,300(3) |
| Brian Posner | 6,172 | — | \$ 43.80 | 09/03/23 | | |
| Brian Posner | 6,172 | — | \$ 65.60 | 09/03/23 | | |
| Brian Posner | 6,172 | — | \$ 87.50 | 09/03/23 | | |
| Brian Posner | 7,002 | — | \$ 90.00 | 03/06/24 | | |
| Brian Posner | 7,668 | 3,834(1) | \$ 62.30 | 02/06/25 | | |
| Brian Posner | | | | | 3,334(2) | \$ 6,035(3) |
| Brian Posner | | | | | 10,002(4) | \$ 18,104(3) |
| Brian Posner | | | | | 10,000(6) | \$ 18,100(3) |
| Bradford Barton | 5,487 | — | \$ 43.80 | 05/10/23 | | |
| Bradford Barton | 5,487 | — | \$ 54.70 | 05/10/23 | | |
| Bradford Barton | 5,487 | — | \$ 65.60 | 05/10/23 | | |
| Bradford Barton | 5,487 | — | \$ 87.50 | 05/10/23 | | |
| Bradford Barton | 5,487 | — | \$ 109.40 | 05/10/23 | | |
| Bradford Barton | 7,002 | — | \$ 90.00 | 03/06/24 | | |
| Bradford Barton | 7,668 | 3,834(1) | \$ 62.30 | 02/06/25 | | |
| Bradford Barton | | | | | 3,334(2) | \$ 6,035(3) |
| Bradford Barton | | | | | 10,002(4) | \$ 18,104(3) |
| Bradford Barton | | | | | 10,000(6) | \$ 18,100(3) |
| Pellegrino Pionati | 6,668 | 3,334(7) | \$ 52.50 | 06/15/25 | | |
| Pellegrino Pionati | | | | | 3,000(7) | \$ 5,430(3) |

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| | | |
|--------------------|-----------|--------------|
| Pellegrino Pionati | 10,002(4) | \$ 18,104(3) |
| Pellegrino Pionati | 10,000(6) | \$ 18,100(3) |

- (1)
Vests and becomes exercisable on February 6, 2018.
- (2)
Represents a restricted stock award (“RSA”) granted on February 6, 2015. The RSA vests on February 6, 2018.

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(3)

Computed by multiplying the number of non-vested RSA shares by \$1.81, which was the closing market price of our common stock on December 29, 2017.

(4)

Represents a RSA granted on May 11, 2016. The RSA is performance based and vests if the Company meets specific revenue targets within a five-year period from the date of grant.

(5)

Represents a RSA granted on June 23, 2017. The RSA vests on June 23, 2018.

(6)

Represents a RSA granted on June 28, 2017. The RSA is performance based and vests if the Company meets specific EBITDA targets within a five-year period from the date of grant.

(7)

Vests and becomes exercisable on June 15, 2018.

Change of Control Agreements

We do not currently have any plans providing for the payment of retirement benefits to our officers or directors, other than as described under “Agreements with Executive Officers” above.

We do not currently have any change-of-control or severance agreements with any of our executive officers or directors, other than as described under “Agreements with Executive Officers” above. In the event of the termination of employment of the named executive officers, any and all unexercised stock options shall expire and no longer be exercisable after a specified time following the date of the termination, other than as described under “Agreements with Executive Officers” above.

2011 Long-Term Incentive Plan

Our board of directors adopted the 2011 Long-Term Incentive Plan on November 7, 2011, which was approved by our stockholders at the 2011 annual meeting held on December 19, 2011. The purpose of the 2011 Long-Term Incentive Plan is to enable us to remain competitive and innovative in its ability to attract, motivate, reward and retain the services of key employees, certain key contractors, and non-employee directors. The 2011 Long-Term Incentive Plan provides for the granting of incentive stock options, nonqualified stock options, stock appreciation rights, restricted stock, restricted stock units, performance awards, dividend equivalent rights, and other awards which may be granted singly, in combination, or in tandem, and which may be paid in cash or shares of common stock. Our 2011 Long-Term Incentive Plan is expected to provide flexibility to its compensation methods in order to adapt the compensation of employees, contractors, and non-employee directors to a changing business environment, after giving due consideration to competitive conditions and the impact of federal tax laws. The 2011 Long-Term Incentive Plan is administered by our board of directors. A total of 182,857 shares of common stock are reserved for award under the 2011 Plan, of which 30,903 remained available for future awards as of December 31, 2017.

2014 Long-Term Incentive Plan

Our board of directors approved the 2014 Long-Term Incentive Plan (the “2014 Plan”) on April 10, 2014, which was approved by our stockholders at the 2014 annual meeting held on June 5, 2014 and adopted on that date. On February 26, 2015, our board of directors approved an amendment to the 2014 Plan to increase the total number of shares available for issuance pursuant to awards under the 2014 Plan, which was approved by stockholders at our 2015 annual meeting held on May 6, 2015.

The purpose of the 2014 Plan is to enable us to remain competitive and innovative in our ability to attract, motivate, reward and retain the services of key employees, certain key contractors, and non-employee directors. The 2014 Plan provides for the granting of incentive stock options, nonqualified stock options, stock appreciation rights, restricted stock, restricted stock units, performance awards, dividend equivalent rights, and other awards which may be granted singly, in combination, or in tandem, and which may be paid in cash or shares of common stock. The 2014 Plan is

expected to provide flexibility to its compensation methods in order to adapt the compensation of employees, contractors, and non-employee directors to a changing business environment, after giving due consideration to competitive conditions and the impact of federal tax laws. The 2014 Plan is administered by our board of directors. A total of 950,000 shares of common stock are reserved for award under the 2014 Plan, of which 92,459 remained available for future awards as of December 31, 2017.

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Equity Compensation Plan Information

The following table provides certain information as of December 31, 2017, with respect to our equity compensation plans under which our equity securities are authorized for issuance:

| | Number of securities to be issued upon exercise of outstanding | Weighted average price of outstanding options, | Number of securities remaining available for future issuance |
|--|--|--|--|
| Equity compensation plans approved by security holders | 561,152 | \$ 25.93 | 123,362 |
| Equity compensation plans not approved by security holders | 285,852(1) | \$ 63.05 | — |
| Total | 847,004 | \$ 38.46 | 123,362 |

(1)

Compromised of the following awards:

- An option granted to a director on November 27, 2012, with a term of ten years, to purchase 45,719 shares of common stock. The options are scheduled to vest and become exercisable as follows: (i) options to purchase 5,715 shares of common stock with an exercise price of \$87.50 per share vesting upon the date of grant; (ii) options to purchase 5,715 shares of common stock with an exercise price of \$87.50 per share vesting on each of the first, second, and third year anniversaries of the date of grant; and (iii) options to purchase 22,859 shares of common stock with an exercise price of \$87.50 per share vesting upon the meeting of certain performance criteria. Options to purchase 17,144 shares were forfeited prior to December 31, 2013 and are not included in the table above.
- An option granted to Mr. Johnson to purchase 17,760 shares of common stock, granted on November 27, 2012, vesting as follows: (i) options to purchase 5,920 shares of common stock at an exercise price of \$43.80 per share, which vested and became exercisable on November 29, 2012; (ii) options to purchase 5,920 shares of common stock at an exercise price of \$65.60 per share, which vested and became exercisable on November 29, 2013; (iii) and options to purchase 5,920 shares of common stock at an exercise price of \$87.50 per share, which vested and became exercisable on November 29, 2014.
- An option granted to a consultant to purchase 4,002 shares of common stock, granted on May 10, 2013, with an exercise price of \$43.80 per share and a term of ten years, vesting 2,286 shares of common stock on the date of grant and 572 shares of common stock on September 30, 2013, December 31, 2013 and March 31, 2014. 2,501 shares under this grant have been exercised and are not included in the table above.
- An option granted to an employee on May 10, 2013, with a term of ten years, to purchase 27,435 shares of common stock vesting as follows: (i) options to purchase 1,829 shares of common stock immediately on the date of grant; and (ii) options to purchase 1,829 shares of common stock on each of the first, second, third, and fourth year anniversaries of the date of grant. The exercise price for one-fifth of each tranche is \$43.80, \$54.70, \$65.60, \$87.50 and \$109.40 per share.
-

An option granted to a consultant to purchase 1,716 shares of common stock, granted on May 30, 2013, with a term of ten years, vesting as follows: (i) options to purchase 572 shares of common stock vesting immediately on the date of grant with an exercise price of \$43.80 per share; (ii) options to purchase 572 shares of common stock vesting on January 1, 2014 with an exercise price of \$65.60 per share; and (iii) 572 shares vesting on January 1, 2015 with an exercise price of \$87.50 per share.

- An option granted to Dr. Zeldis on July 22, 2013 to purchase 62,217 shares of common stock. The options are scheduled to vest and become exercisable as follows: (i) options to purchase 20,739 shares of common stock at \$65.60 per share to vest upon the filing of the Company's annual report on Form 10-K having consolidated gross revenue of at least \$10 million by April 15, 2016; (ii) options to purchase 20,739 shares of common stock with an exercise price of \$87.50 per share

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to vest upon the filing of the Company's annual report on Form 10-K having consolidated gross revenue of at least \$20 million by April 17, 2017; and (iii) options to purchase 20,739 shares of common stock with an exercise price of \$109.40 per share to vest upon the filing of the Company's annual report on Form 10-K having consolidated gross revenue of at least \$25 million by April 17, 2018. Options to purchase 20,739 shares were forfeited prior to December 31, 2017 and are not included in the table above.

- An option granted to Mr. Posner, with a ten year term, to purchase 18,516 shares of common stock, granted on September 3, 2013. The options are scheduled to vest as follows: (i) 6,172 shares at an exercise price of \$43.80 per share, which vested immediately; (ii) 6,172 shares at an exercise price of \$65.60 per share, which vested upon the one year anniversary of employment; and (iii) 6,172 shares at an exercise price of \$87.50 per share, which vested upon the two year anniversary of employment. The options have a term of ten years.

- A warrant to purchase 686 shares of common stock, with a five year term, at an exercise price of \$43.80 was issued to a consultant on September 11, 2013, vesting in 12 equal monthly installments over the first year from the date of issuance.

- A warrant to purchase 686 shares of common stock, with a five year term, at an exercise price of \$43.80 was issued to a consultant on October 28, 2013, vesting on the one year anniversary of the date of grant.

- A warrant to purchase 343 shares of common stock, with a five year term, at an exercise price of \$56.90 was issued to a consultant on October 28, 2013, vesting in 12 equal monthly installments over the first year from the date of issuance.

- Warrants to two consultants to each purchase 800 shares of common stock, with a five year term, at an exercise price of \$43.80 were issued on November 12, 2013, each vesting in 12 equal monthly installments over the first year from the date of issuance.

- A warrant to purchase 915 shares of common stock, with a five year term, at an exercise price of \$43.80 was issued to a consultant on November 12, 2013, vesting in 12 equal monthly installments over the first year from the date of issuance.

- A warrant to purchase 1,372 shares of common stock, with a five year term, at an exercise price of \$43.80 was issued to a consultant on November 12, 2013, vesting in 12 equal monthly installments over the first year from the date of issuance.

- Warrants to two consultants to each purchase 400 shares of common stock, with a five year term, at an exercise price of \$56.90 were issued on November 12, 2013, each vesting in 12 equal monthly installments over the first year from the date of issuance.

- A warrant to purchase 458 shares of common stock, with a five year term, at an exercise price of \$56.90 was issued to a consultant on November 12, 2013, vesting in 12 equal monthly installments over the first year from the date of issuance.

- A warrant to purchase 686 shares of common stock, with a five year term, at an exercise price of \$56.90 was issued to a consultant on November 12, 2013, vesting in 12 equal monthly installments over the first year from the date of issuance.

- An option granted to Mr. Johnson, with a term of ten years, to purchase 11,713 shares of common stock, granted on November 14, 2013 with an exercise price of \$35.00. The options vested as follows: (i) options to purchase 3,255 shares vested on March 28, 2014, (ii) options to purchase 4,112 shares vested on June 28, 2014; and (iii) options to purchase 4,346 shares vested on September 30, 2014.

- An option granted to a consultant to purchase 3,429 shares of common stock, granted on November 14, 2013, with an exercise price of \$56.90 per share and a term of five years, vesting on the date of grant.

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- An option granted to a consultant on November 15, 2013, with a term of ten years, to purchase 2,286 shares of common stock vesting as follows: (i) options to purchase 762 shares of common stock immediately on the date of grant with an exercise price of \$39.40 per share; (ii) options to purchase 762 shares of common stock on the first year anniversary of the date of grant with an exercise price of \$65.60 per share; and (iii) 762 shares of common stock on the second anniversary of the date of grant with an exercise price of \$87.50 per share.

- An option granted to Mr. Johnson, with a term of ten years, to purchase 73,058 shares of common stock, granted on December 20, 2013 at an exercise price of \$68.20. The options vest on the first day of each calendar quarter during the period commencing on January 1, 2014 and ending on February 4, 2016, provided that Mr. Johnson remains employed by the company on such date.

- An option granted to an employee on December 20, 2013, with a term of ten years, to purchase 5,000 shares of common stock with an exercise price of \$68.20 per share vesting as follows: (i) options to purchase 1,250 shares of common stock immediately on the date of grant; and (ii) options to purchase 1,250 shares of common stock on each of the first, second, and third year anniversaries of the date of grant.

- An option granted to an employee on January 6, 2014, with a term of ten years, to purchase 5,000 shares of common stock with an exercise price of \$69.90 per share. The option is scheduled to vest and become exercisable in thirds on each of the next three anniversaries of the date of grant.

- An option granted to an employee on January 6, 2014, with a term of ten years, to purchase 9,152 shares of common stock with an exercise price of \$69.90 per share. The option is scheduled to vest and become exercisable in thirds on each of the next three anniversaries of the date of grant.

- An option granted to an employee on January 6, 2014, with a term of ten years, to purchase 8,001 shares of common stock with an exercise price of \$69.90 per share. The option is scheduled to vest and become exercisable in thirds on each of the next three anniversaries of the date of grant.

- A warrant to purchase 4,500 shares of common stock, expiring on March 29, 2022, at an exercise price of \$4.40 was issued to a consultant on April 3, 2017, vesting on the date of grant.

- A warrant to purchase 7,224 shares of common stock, expiring on March 29, 2022, at an exercise price of \$4.40 was issued to a consultant on April 3, 2017, vesting on the date of grant.

- A warrant to purchase 2,961 shares of common stock, expiring on March 29, 2022, at an exercise price of \$4.40 was issued to a consultant on April 3, 2017, vesting on the date of grant.

- A warrant to purchase 8,171 shares of common stock, expiring on March 29, 2022, at an exercise price of \$4.40 was issued to a consultant on April 3, 2017, vesting on the date of grant.

- A warrant to purchase 593 shares of common stock, expiring on March 29, 2022, at an exercise price of \$4.40 was issued to a consultant on April 3, 2017, vesting on the date of grant.

- A warrant to purchase 237 shares of common stock, expiring on March 29, 2022, at an exercise price of \$4.40 was issued to a consultant on April 3, 2017, vesting on the date of grant.

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DIRECTOR COMPENSATION

The following table shows information concerning our directors, other than David Johnson, during the year ended December 31, 2017.

| | Year | Fees Earned or Paid in Cash | Option Awards(1) | Total |
|-------------------------------|------|--------------------------------------|---------------------|-----------|
| Jerome Zeldis, M.D., Ph.D.(2) | 2017 | \$ 30,000 | \$ 22,318(3) | \$ 52,318 |
| Winston Kung(4) | 2017 | \$ —(5) | \$ —(6) | \$ — |
| Joseph Leone | 2017 | \$ 28,125 | \$ 22,318(3) | \$ 50,443 |
| Gary Restani | 2017 | \$ 27,189 | \$ 22,318(3) | \$ 49,507 |
| Jeffrey Sklar | 2017 | \$ 28,750 | \$ 22,318(3) | \$ 51,068 |
| Mark Wagner | 2017 | \$ 18,750 | \$ 22,318(3) | \$ 41,068 |

(1)

The amounts reported represent the aggregate grant date fair value of the awards, calculated in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 — Compensation — Stock Compensation (“ASC 718”), with the exception that the amount shown assumes no forfeitures. Assumptions used in the calculation of these amounts are included in “Note 2. Summary of Significant Accounting Policies — Stock-Based Compensation” and “Note 15. Stockholders’ Equity” to our audited financial statements for the fiscal year ended December 31, 2017 included in the 2017 Annual Report.

(2)

Dr. Zeldis resigned as chairman and director on December 5, 2017.

(3)

An option to purchase 9,009 shares of common stock was granted during the year ended December 31, 2017.

(4)

Mr. Kung resigned as director effective November 24, 2017.

(5)

Mr. Kung waived cash compensation for serving as a director during the year ended December 31, 2017.

(6)

Mr. Kung waived his option grant for serving as a director during the year ended December 31, 2017.

For the year ended December 31, 2017, cash compensation for non-employee directors, including the board chair, was \$18,750. In addition, the audit committee chair was paid \$7,500, the compensation committee chair was paid \$6,250, other audit committee members were paid \$3,750, other compensation committee members were paid \$2,813 and nominating and corporate governance committee members, including the chair, were paid \$1,875. Each non-employee director also received stock options to purchase 9,009 shares of our common stock on June 30, 2017, at an exercise price of \$3.70 per share. These stock options will vest monthly over a 11 month period from the date of grant and have a ten-year term.

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TABLE OF CONTENTS**PROPOSAL 2: RATIFICATION OF APPOINTMENT OF MARCUM LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Marcum LLP has been appointed as the independent registered public accounting firm for the fiscal year ending December 31, 2018, subject to stockholder ratification. Marcum LLP served as our independent registered public accounting firm for the fiscal years ended December 31, 2017 and 2016.

Representatives of Marcum LLP will be present telephonically at the Annual Meeting, will have the opportunity to make a statement if they so desire and will be available to respond to appropriate questions.

The following table presents aggregate fees for professional services rendered by Marcum LLP for the fiscal years ended December 31, 2017 and 2016.

| | Year Ended December 31, 2017 | Year Ended December 31, 2016 |
|--------------------|------------------------------------|------------------------------------|
| Audit fees | \$ 219,081 | \$ 203,425 |
| Audit-related fees | 61,896 | 29,165 |
| Tax fees | — | — |
| Total | \$ 281,077 | \$ 232,590 |

Audit Fees

Audit fees for the years ended December 31, 2017 and 2016 consist of the aggregate fees billed by Marcum LLP for the audit of the consolidated financial statements and internal control over financial reporting included in our Annual Report on Form 10-K and review of interim condensed financial statements included in the quarterly reports on Form 10-Q for the years ended December 31, 2017 and 2016. Audit fees also include services related to providing consents to fulfill the accounting firm's responsibilities under generally accepted accounting principles.

Audit-Related Fees

Audit-related fees for the year ended December 31, 2017 include services in connection with our registration statement on Form S-1, Form S-8 and comfort and bring down letter. Audit-related fees for the year ended December 31, 2016 include services in connection with our registration statement on Form S-4 filed in November 2016 and Form S-4/A filed in December 2016.

Tax Fees

Tax fees for the year ended December 31, 2017 consisted of fees for tax consultation services. Marcum LLP did not provide any professional services for tax compliance, tax advice or tax planning for the year ended December 31, 2016.

Pre-Approval of Independent Registered Public Accounting Firm Fees and Services Policy

Our audit committee pre-approves all auditing and permitted non-audit services to be performed for us by our independent auditor, except for de minimis non-audit services that are approved by the audit committee prior to the completion of the audit. The audit committee may form and delegate authority to subcommittees consisting of one or more members when appropriate, including the authority to grant pre-approvals of audit and permitted non-audit services. The audit committee pre-approved all of the fees set forth in the table above.

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Approval of Independent Registered Public Accounting Firm Services and Fees

The board of directors requests that stockholders ratify the appointment of Marcum LLP as the independent registered public accounting firm to conduct the audit of our financial statements for the fiscal year ending December 31, 2018. In the event that the stockholders fail to ratify the selection, the board of directors will reconsider whether or not to continue to retain that firm. Even if the selection is ratified, the board of directors, in its discretion, may direct the appointment of a different independent registered public accounting firm at any time during the fiscal year if the board of directors determines that such a change would be in the best interest of our stockholders.

Vote Required for Approval

The affirmative vote of the holders of a majority of the shares of our common stock represented in person or by proxy at the Annual Meeting entitled to vote on such proposal that vote for or against such proposal is required to adopt the proposal to ratify the appointment of Marcum LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2018.

The board of directors recommends a vote FOR the ratification of the appointment of Marcum LLP.

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OTHER BUSINESS

The board of directors knows of no other business to be brought before the Annual Meeting. If, however, any other business should properly come before the Annual Meeting, the persons named in the accompanying proxy will vote the proxy in accordance with applicable law and as they may deem appropriate in their discretion, unless directed by the proxy to do otherwise.

SUBMISSION OF FUTURE STOCKHOLDER PROPOSALS

Pursuant to rules of the SEC, a stockholder who intends to present a proposal at our next annual meeting of stockholders and who wishes the proposal to be included in the proxy statement for that meeting must submit the proposal to us in writing to the attention of the Secretary at Alliqua BioMedical, Inc., 2150 Cabot Boulevard West, Suite B, Langhorne, Pennsylvania 19047. The proposal must be received no later than January 17, 2019, after which date such stockholder proposal will be considered untimely. Stockholders wishing to submit proposals to be presented directly at the annual meeting instead of for inclusion in next year's proxy statement must follow the submission criteria and deadlines set forth in our bylaws. To be timely in connection with our next annual meeting, such a stockholder proposal must be received by our Secretary at our principal executive offices between February 26, 2019, and March 28, 2019.

A copy of Alliqua BioMedical, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2017 is available without charge (except for exhibits, which are available upon payment of a reasonable fee) upon written request to Alliqua BioMedical, Inc., 2150 Cabot Boulevard West, Suite B, Langhorne, Pennsylvania 19047.

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THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED. KEEP THIS PORTION FOR YOUR RECORDS DETACH AND RETURN THIS PORTION ONLY TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS: Signature [PLEASE SIGN WITHIN BOX] Date Signature (Joint Owners) Date To withhold authority to vote for any individual nominee(s), mark "For All Except" and write the number(s) of the nominee(s) on the line below. 0 0 0 0 0 0000382868_1 R1.0.1.17 For Withhold For All All All Except The Board of Directors recommends you vote FOR the following: 1. Election of Directors Nominees 01 David Johnson 02 Joseph Leone 03 Gary Restani 04 Jeffrey Sklar 05 Mark Wagner ALLIQUA BIOMEDICAL, INC. ATTN: JOSEPH WARUSZ 2150 CABOT BLVD, WEST SUITE B LANGHORNE, PA 19047 VOTE BY INTERNET - www.proxyvote.com Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form. ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years. VOTE BY PHONE - 1-800-690-6903 Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you call and then follow the instructions. VOTE BY MAIL Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717. The Board of Directors recommends you vote FOR the following proposal: For Against Abstain 2. Ratification of the appointment of Marcum LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2018. NOTE: Such other business as may properly come before the Annual Meeting. Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name by authorized officer.

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0000382868_2 R1.0.1.17 Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting: The Notice and Proxy Statement and Annual Report are available at www.proxyvote.com ALLIQUA BIOMEDICAL, INC. Annual Meeting of Stockholders June 26, 2018 9:00 AM This proxy is solicited by the Board of Directors The undersigned hereby appoints David Johnson, president and chief executive officer, and Joseph Warusz, chief financial officer, treasurer and secretary, or either of them, as proxies, each with the power to appoint his substitute, and hereby authorizes them to represent and to vote, as designated on the reverse side of this ballot, all of the shares of common stock of Alliqua BioMedical, Inc. that the stockholders are entitled to vote at the Annual Meeting of Stockholders to be held at 9:00 AM, EDT on June 26, 2018 at 2150 Cabot Blvd, West, Suite B, Langhorne, PA 19047, and any adjournment(s) or postponement(s) thereof. The undersigned hereby revokes any proxy or proxies previously given to represent or vote such common stock and hereby ratifies and confirms all actions that said proxy, his substitutes, or any of them, may lawfully take in accordance the terms hereof. THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER DIRECTED HEREIN. IF NO SUCH DIRECTION IS MADE, THIS PROXY WILL BE VOTED "FOR" ALL NOMINEES FOR DIRECTOR, "FOR" PROPOSAL NUMBER 2, AND AS THE PROXIES (OR ANY OF THEM) DEEM ADVISABLE ON SUCH OTHER MATTERS AS MAY PROPERLY COME BEFORE THE ANNUAL MEETING. Continued and to be signed on reverse side
