

ROCKWELL MEDICAL, INC.  
Form DEF 14A  
April 30, 2019

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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 (Amendment No.        )

Filed by the Registrant

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Check the appropriate box:

- Preliminary Proxy Statement
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- Definitive Proxy Statement
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**Rockwell Medical, Inc.**

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(Name of Registrant as Specified In Its Charter)

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-

**ROCKWELL MEDICAL, INC.**  
**NOTICE OF 2019 ANNUAL MEETING OF SHAREHOLDERS**  
**To Be Held June 6, 2019**

To the Shareholders of Rockwell Medical, Inc.:

Notice is hereby given that the 2019 Annual Meeting of shareholders (the "Annual Meeting") of Rockwell Medical, Inc. (the "Company") will be held as a virtual shareholder meeting at 10:00 a.m. Eastern Time, on June 6, 2019 to consider and take action upon the following matters:

- (1) To reelect three of the Company's directors ("Proposal 1");
- (2) To approve a proposal to amend the Company's Restated Articles of Incorporation to increase the number of authorized shares of the Company's common stock by 50 million shares to 170 million shares ("Proposal 2");
- (3) To approve a proposal to reincorporate the Company from the State of Michigan to the State of Delaware ("Proposal 3");
- (4) To approve, on an advisory basis, the compensation of the Company's named executive officers ("Proposal 4");
- (5) To ratify the selection of Marcum LLP as the Company's independent registered public accounting firm for 2019 ("Proposal 5"); and
- (6) To transact any other business which may properly come before the Annual Meeting or any adjournment thereof.

Only shareholders of record at the close of business on April 22, 2019 will be entitled to notice of, and to vote at, the Annual Meeting or any adjournment or postponement of the Annual Meeting. You may attend the Annual Meeting, vote and submit a question during the meeting by visiting [www.virtualshareholdermeeting.com/RMTI2019](http://www.virtualshareholdermeeting.com/RMTI2019).

All shareholders as of the record date are cordially invited to attend the Annual Meeting. **WHETHER OR NOT YOU INTEND TO BE PRESENT, PLEASE COMPLETE, DATE, SIGN AND RETURN THE ENCLOSED PROXY CARD IN THE STAMPED AND ADDRESSED ENVELOPE ENCLOSED FOR YOUR CONVENIENCE.** Shareholders can help the Company avoid unnecessary expense and delay by promptly returning the enclosed proxy card. The business of the Annual Meeting to be acted upon by the shareholders cannot be transacted unless a majority of the outstanding common shares of the Company is represented at the Annual Meeting.

By Order of the Board of Directors,

David J. Kull  
*Secretary*

Wixom, Michigan  
May 1, 2019

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**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Shareholders to Be Held on June 6, 2019**

**This notice of meeting, the proxy statement, the proxy card and the Company's 2018 Annual Report to Shareholders, which includes the Annual Report on Form 10-K, are available on the internet at <http://www.rockwellmed.com/invest.htm>. Shareholders may request a copy of the notice of meeting, the proxy statement, proxy card and 2018 Annual Report to Shareholders by sending an e-mail to [invest@rockwellmed.com](mailto:invest@rockwellmed.com), calling (800) 449-3353 or by internet at <http://www.rockwellmed.com>.**

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**ROCKWELL MEDICAL, INC.**  
**30142 Wixom Road Wixom, Michigan 48393**

**PROXY STATEMENT**

**2019 ANNUAL MEETING OF SHAREHOLDERS**  
**June 6, 2019**

**INTRODUCTION**

This proxy statement is being furnished to shareholders by the Board of Directors (the "Board") of Rockwell Medical, Inc. (the "Company") in connection with the solicitation of proxies by the Board for use at the 2019 annual meeting of shareholders of the Company to be held on June 6, 2019 at 10:00 a.m. Eastern Time, and all adjournments or postponements thereof (the "Annual Meeting") for the purposes set forth in the attached Notice of 2019 Annual Meeting of Shareholders. The Annual Meeting will be held as a virtual (online) meeting. You may attend the Annual Meeting, vote and submit a question during the meeting by visiting [www.virtualshareholdermeeting.com/RMTI2019](http://www.virtualshareholdermeeting.com/RMTI2019).

A proxy, in the enclosed form, which is properly executed, duly returned to the Company and not revoked, will be voted in accordance with the instructions contained therein. The shares represented by executed but unmarked proxies will be voted as follows:

- (1) **FOR** the reelection of three of the Company's directors ("Proposal 1");
- (2) **FOR** the approval of a proposal to amend the Company's Restated Articles of Incorporation to increase the number of authorized shares of the Company's common stock by 50 million shares to 170 million shares ("Proposal 2");
- (3) **FOR** the approval of a proposal to reincorporate the Company from the State of Michigan to the State of Delaware ("Proposal 3");
- (4) **FOR**, on an advisory basis, the approval of the compensation of the Company's named executive officers ("Proposal 4"); and
- (5) **FOR** ratification of the selection of Marcum LLP as the Company's independent registered public accounting firm for 2019 ("Proposal 5").

With respect to such other business which may properly come before the Annual Meeting or any adjournment thereof, votes will be cast in the discretion of the appointed proxies.

These proxy materials are first being sent or made available to shareholders on or about May 1, 2019. References in this proxy statement to the "Company," "we," "our" and "us" are references to Rockwell Medical, Inc.

It is important that your shares are represented at the Annual Meeting. Whether or not you plan to attend the Annual Meeting, please sign and date the enclosed proxy card and return it to us. If you own your shares through a broker, bank or other nominee, please return your voting instruction form to your broker, bank or nominee, or use the electronic voting means described below to vote your shares.

## QUESTIONS AND ANSWERS

### *Who is entitled to vote at the Annual Meeting?*

Only shareholders of record of our common stock, no par value, which we refer to as our common shares, at the close of business on April 22, 2019, the record date for the Annual Meeting, will be entitled to notice of, and to vote at, the Annual Meeting or any adjournment or postponement thereof. As of the close of business on the record date, we had 57,565,370 outstanding common shares, the only class of stock outstanding and entitled to vote. Each common share is entitled to one vote on each matter submitted for a vote at the Annual Meeting. The presence, in person or by proxy, of the holders of record of a majority of the outstanding common shares entitled to vote is necessary to constitute a quorum for the transaction of business at the Annual Meeting or any adjournment or postponement thereof. Abstentions and votes withheld from the election of the director nominee will be treated as shares present at the meeting for purposes of determining the presence of a quorum.

Valid proxies in the enclosed form which are timely returned and executed and dated in accordance with the instructions on the proxy will be voted as specified in the proxy. If no specification is made, the proxies will be voted **FOR** approval of each of the Board's proposals listed in this proxy statement.

### *How do I vote if I hold my shares in "street name"?*

If your shares are held in a stock brokerage account or by a bank or other nominee, then you are **not** legally a shareholder of record but, rather, are considered to own your shares in "street name" and you will need to direct your broker, bank or nominee, who is considered the shareholder of record of your shares, how to vote your shares.

If you hold your shares in street name as of the record date, the notice of meeting, the proxy statement, the 2018 annual report and a voting instruction form have been forwarded to you by your broker, bank or nominee. As the beneficial or "street name" owner, you have the right to direct your broker, bank or nominee how to vote your shares by using the voting instruction form included in the mailing. In accordance with applicable regulations, unless you provide your broker, bank or nominee with instructions on how to vote your shares, your shares will not be voted by the broker, bank or nominee on any matter listed in this proxy statement other than the proposal to ratify the Company's independent auditors for 2019. Therefore, if you want the shares you beneficially own to be voted, you should return your voting instruction form or otherwise vote your shares as set forth below.

A **street name holder** may provide instructions to their broker, bank or nominee on how to vote their shares in any of the following ways:

By completing, signing and dating each voting instruction form received and returning it in the envelope provided; or

By Internet at [www.proxyvote.com](http://www.proxyvote.com) and following the instructions outlined on the secure website (have the 12 digit control number available).

If you wish to attend and vote at the Annual Meeting and you are a street name holder, you must request and obtain a legal proxy or power of attorney from your bank, broker or nominee, bring it to the Annual Meeting with you and attach it to the ballot you vote at the Annual Meeting. Please follow the instructions from your bank, broker or nominee, or contact your bank, broker or nominee to request a power of attorney or other proxy authority. You will also need to present valid government-issued photo identification such as a driver's license or passport. Ballots of street name holders that are not accompanied by a legal proxy or power of attorney from the record holder of their shares will not be counted. If you follow the procedures and vote online at the Annual Meeting, you will revoke any prior proxy you may have submitted.

If you are a street name holder and wish to attend the Annual Meeting but do not wish to vote at the Annual Meeting, you must present a legal proxy or power of attorney from your bank, broker or nominee or other reasonably acceptable proof that you beneficially owned your shares on the record date for the Annual Meeting, along with a valid government-issued photo identification such as a driver's license or passport.

***How do I vote if I am a shareholder of record?***

You are considered a shareholder of record if your shares are registered directly in your name with our transfer agent. If you are a shareholder of record, you may vote your shares in either of the following ways:

By signing and dating each proxy card you received and returning it in the envelope provided; or

By attending the Annual Meeting by visiting [www.virtualshareholdermeeting.com/RMTI2019](http://www.virtualshareholdermeeting.com/RMTI2019).

***What votes are required by our shareholders on the Board's proposals and what is the Board's recommendation on how I vote my shares?***

The Board recommends a vote **FOR** each of the proposals listed in this proxy statement.

Proposal 1 (Election of Directors) requires a plurality of the votes cast to approve the election of a director-nominee. However, if the director-nominee receives more WITHHELD votes than FOR votes, even though the director-nominee will be elected by plurality, the director-nominee must tender his resignation to our Board, with such resignation being effective upon our Board's acceptance. Withheld votes and broker non-votes will not be considered votes cast and will have no effect on the election.

Proposal 2 (Amendment to the Company's Restated Articles of Incorporation to Increase the Number of Authorized Shares of the Company's Common Stock by 50 Million Shares to 170 Million Shares) and Proposal 3 (Reincorporation of the Company from Michigan to Delaware) require an affirmative vote of a majority of the votes entitled to be cast on the matter to approve the proposals. Abstentions and broker non-votes will have the same effect as votes cast against these proposals.

Proposal 4 (Advisory Vote on the Compensation of our Named Executive Officers) and Proposal 5 (Ratification of Selection of the Company's Independent Registered Public Accounting Firm for 2019) require the affirmative vote of a majority of the votes cast on the matter to approve the proposals. Abstentions and broker non-votes will not be considered votes cast and will have no effect on the outcome of the vote on these proposals.

***Can I change my vote after I have mailed my proxy card?***

A shareholder who has submitted a completed proxy may revoke it at any time before it is voted at the Annual Meeting by giving written notice of such revocation to our Secretary or by executing and delivering to the Secretary a later dated proxy. Attendance at the Annual Meeting by a shareholder who has submitted a proxy will not have the effect of revoking it unless such shareholder votes at the Annual Meeting or submits written notice of revocation to the Company's Secretary before the proxy is voted.

Any written notice revoking a proxy, and any later dated proxy, must be received by the Company prior to the date of the Annual Meeting (unless delivered directly to the Company's Secretary at the Annual Meeting) and should be sent to Rockwell Medical, Inc., 30142 Wixom Road, Wixom, Michigan 48393, Attention: David J. Kull, Secretary.

*Are there any interests of certain persons in the matters to be acted upon?*

In Proposal 3, we are asking the shareholders approve the reincorporation of the Company from Michigan to Delaware. The principal factors the Board considered in deciding to pursue and recommending that our shareholders approve the reincorporation is to provide (1) greater predictability, flexibility and responsiveness of Delaware law to corporate needs; (2) access to specialized courts; (3) enhanced ability of Delaware corporations to attract and retain directors and officers; and (4) more certainty with respect to indemnification and limitation of liability for directors.

With respect to (4) above in particular, we believe that, in general, Delaware case law regarding a corporation's ability to limit director liability and to indemnify and advance litigation expenses to directors and officers is more developed and provides more guidance than Michigan law. Accordingly, this additional clarity on these issues may inure to the benefit of directors. However, as noted in Proposal 3, the primary purpose for effecting the reincorporation would be the prominence and predictability of Delaware corporate law, which provides a reliable foundation on which our governance decisions can be based. We believe that our shareholders will benefit from the responsiveness of Delaware corporate law and the Delaware judiciary to their needs and to the needs of the corporation they own.

*Why is the Company asking for two different votes on Proposal 3?*

As noted above, Proposal 3 relates to the proposed change in corporate domicile from Michigan to Delaware. In presenting this proposal, the Board of Directors is asking shareholders to vote on: (a) a reincorporation in which Rockwell Delaware is not subject to Section 203 of the Delaware General Corporation Law ("Section 203"); and (b) a reincorporation in which Rockwell Delaware would be subject to Section 203. The default status in Delaware is for all corporations to be subject to Section 203, which prohibits certain related-party transactions with any holder of more than 15% (but less than 85%) of the company's common stock. This prohibition, which doesn't apply if the acquisition is approved by the Board of Directors, serves to deter unsolicited or hostile takeover bids. Rockwell Michigan is not subject to an equivalent statutory takeover protection, which is why the Board of Directors has presented option "(a)" with Proposal 3. However, approximately 81% of Delaware public companies within the Company's industry group are subject to Section 203, which is why the Board of Directors has presented option "(b)" with Proposal 3.

The Board of Directors has recommended that shareholders approve Proposal 3, but has not taken a position on whether Proposal 3(a) or 3(b) should be approved. If both are approved, the Board of Directors will have the discretion to determine which version of Proposal 3 to implement. For purposes of simplicity, we refer throughout this proxy statement to Proposals 3(a) and 3(b) as "Proposal 3."



**PROPOSAL 1  
ELECTION OF DIRECTORS**

**Background**

Our Board is divided into three classes, designated Class I, Class II and Class III. The current composition of the Board is as follows:

Class I Directors: Stuart Paul

Class II Directors: Lisa Colleran  
John G. Cooper  
Mark H. Ravich

Class III Directors: Dr. Robin L. Smith  
Benjamin Wolin

Each year, on a rotating basis and until their successor has been elected and qualified, the terms of office of the directors in one of the three classes expire. Successors to the class of directors whose terms have expired will be elected for a three-year term. The term of the current Class I Director expires at the 2019 Annual Meeting and upon the election and qualification of a successor. The terms of each of the Class II Directors expire at the 2020 Annual Meeting and the terms of each of the Class III Directors expire at our 2021 Annual Meeting, in each case upon the election and qualification of the applicable successors.

**Irregular Election**

At the Annual Meeting, shareholders will be asked to reelect the Class I Director, in accordance with the normally scheduled rotation described above.

In August 2018, Dr. Smith and Mr. Wolin were reclassified from serving as Class I Directors to serving as Class III Directors in order to rebalance the Board classes following the departures of three directors in 2018. However, in connection with being reclassified as Class III Directors, Dr. Smith and Mr. Wolin agreed to stand for reelection at the Company's 2019 Annual Meeting, when their terms would have expired had they remained as Class I Directors. If reelected, Dr. Smith and Mr. Wolin will continue to be designated as Class III Directors, with their respective terms expiring at our 2021 Annual Meeting and upon the election and qualification of their successors.

Accordingly, at the Annual Meeting, the Company's shareholders are being asked to reelect Mr. Paul (Class I), Dr. Smith (Class III) and Mr. Wolin (Class III).

**Nominees For Reelection to Our Board**

***Class I (Term Expiring 2022):***

*Mr. Stuart Paul*, age 59, has been a director and the Company's CEO and President since September 2018. Mr. Paul has over 25 years of experience in the health care industry, with substantial experience managing businesses in the renal space. Most recently, Mr. Paul has served as Corporate Officer, Head Global Toxicology Business at Abbott Laboratories, a diversified healthcare products company, from 2017 until August 2018, where Mr. Paul led a \$700 million global toxicology business and had responsibility for integration of acquisitions, research and development, manufacturing and commercial operations. From 2015 to 2017, Mr. Paul served as General Manager of the USA East Region of Quest Diagnostics Incorporated, a global provider of diagnostic information services, where he headed a \$1.4 billion regional division and was responsible for managing all laboratory testing, patient services, logistics, commercial operations and other relevant support functions. From 2013 to 2015, Mr. Paul served as President Latin America, Renal Group of Baxter International, a

manufacturer of healthcare products, where he headed Baxter's \$700 million dialysis business with over 1,500 employees in Latin America. From 2007 to 2013, Mr. Paul worked at Gambro AB, a \$2 billion global dialysis products company. During his tenure, Mr. Paul was a key member of the senior leadership team and was responsible for running a variety of businesses, including its \$150 million Asia-Pacific and \$400 million Americas businesses, which he brought to significant new levels of revenue and profitability. Mr. Paul received his MBA from Northwestern University with a concentration in Hospital & Health Services Management and his BA in Chemistry from Duke University. We believe that Mr. Paul's experience as Chief Executive Officer and President of our Company, his extensive prior experience as an executive in the industry, and his educational background qualify him for service as a director of our Company. If reelected, Mr. Paul's term as a director will expire at the 2022 Annual Meeting and upon the election and qualification of his successor.

***Class III (Term Expiring 2021):***

*Dr. Robin L. Smith*, age 54, has been a director since June 2016. Dr. Smith is a global thought leader in regenerative medicine one of the fastest growing segments of modern-day medicine. She received her M.D. from the Yale School of Medicine and an MBA from the Wharton School of Business. During her tenure as CEO of the NeoStem family of companies (NASDAQ: NBS, now CLBS), which she led from 2006 to 2015, she pioneered the company's innovative business model, combining proprietary cell therapy development with a successful contract development and manufacturing organization. Dr. Smith raised over \$200 million, completing six acquisitions and one divestiture while the company won an array of industry awards and business recognition including a first-place ranking in the tri-state area (two years in a row), and eleventh place nationally, on Deloitte's Technology Fast 500, and Frost & Sullivan's North American Cell Therapeutics Technology Innovation Leadership Award.

Dr. Smith coauthored two books: *Cells Are the New Cure* (2017) and *The Healing Cell: How the Greatest Revolution in Medical History Is Changing Your Life* (2013). She maintained a regular column for the Huffington Post for six years. Dr. Smith has been widely recognized for her leadership in health care and has received the Regenerative Medicine Foundation (RMF) 2019 Stem Cell and Regenerative Medicine Action Award for International Diplomacy in 2019 and the 2018 HEALinc Future Health Humanitarian Award. She has been widely recognized for her work as a female entrepreneur and received the Business Intelligence Group's Woman of the Year Award in 2018 and the 2018 Gold Stevie® Award for Woman of the Year Government of Non-Profit. She is also a winner of the 2014 Brava! Award, which recognizes top women business leaders in the Greater New York area. Dr. Smith was elected to the 2018 NACD Directorship 100: Directors list by the NACD Directorship magazine for her work and expertise in corporate governance. She was also a finalist for the 2014 EY Entrepreneur of the Year Award for the New York area, recognizing entrepreneurs who demonstrate excellence and success in the areas of innovation, financial performance, and personal commitment to their businesses and communities. In April 2016, Pope Francis awarded Dr. Smith Dame Commander with Star Pontifical Equestrian Order of Saint Sylvester Pope and Martyr. Dr. Smith was awarded the Lifetime Achievement in Healthcare and Science Award by The National Museum of Catholic Art and Library in May 2017.

Dr. Smith has extensive experience serving in executive and board level capacities for various medical enterprises and health care-based entities. On August 20, 2015, Dr. Smith joined the board of directors of Mynd Analytics (NASDAQ: MYND) as chairman. She recently joined the board of directors of Seelos Therapeutics (NASDAQ: SEEL) and also serves as president and chairman of Stem for Life, Cognitive Warriors, and Cura Foundation, and is vice president and a member of the board of directors of the STOQ Foundation in Rome, Italy. Dr. Smith is co-chairman of the Life Sci advisory board on gender diversity and advisor to Dthera Sciences. She also serves on Sanford Health's

International Board, Alliance for Regenerative Medicine (ARM) Foundation board and the board of overseers at the NYU Langone Medical Center in New York. She previously served on the board of trustees of the NYU Langone Medical Center and is the past chairman of the board of directors for the New York University Hospital for Joint Diseases, BioXcel Corporation and Signal Genetics (NASDAQ: SGNL). She was appointed as clinical associate professor, Department of Medicine at the Rutgers, New Jersey Medical School in 2017. We believe that Dr. Smith's entrepreneurial skills and her extensive experience serving in executive and board level capacities for various medical enterprises and healthcare-based entities qualify her for service as a director of our Company. If reelected, Dr. Smith's term as a director will expire at the 2021 Annual Meeting and upon the election and qualification of her successor.

*Benjamin Wolin*, age 44, has been a director and our Chairman of the Board since March 2018. Mr. Wolin serves on the Board of Dance Biopharm Holdings Inc., a privately-held biotechnology company focused on the development of Dance 501, a proprietary 'soft-mist' inhaled insulin product to treat diabetes. He is also as an advisor to each of 3L Capital LLC, a growth-stage private equity firm, and Refinery 29 Inc., a leading global media company. Prior to his experience as an advisor, Mr. Wolin was the co-founder, chief executive officer and a member of the board of directors of Everyday Health, Inc., a leading provider of digital health and wellness solutions, from January 2002 until its sale to a subsidiary of j2 Global, Inc. in December 2016. From September 1999 until December 2001, Mr. Wolin served as vice president of production and technology for Beliefnet, Inc., an online provider of religious and spiritual information. Previously, Mr. Wolin served as web producer for Tribune Interactive, Inc., a multimedia corporation, and held several consulting positions with interactive companies. Mr. Wolin is also Lead Independent Director of Diplomat Pharmacy, Inc., the largest independent provider of specialty pharmacy services in the United States. Mr. Wolin has been a director of Diplomat Pharmacy since October 2015 and was formerly Diplomat Pharmacy's Chairman of the Board. Mr. Wolin is a member of the audit committee, compensation committee and the nominating and corporate governance committee of Diplomat Pharmacy's board of directors. Mr. Wolin has extensive technology, executive management, entrepreneurial, financial and operating expertise from his former role as a founder, director and principal executive of Everyday Health. We believe that Mr. Wolin's extensive executive management, financial (including initial public offering) and operating experiences from his former role as a founder, director and principal executive of Everyday Health, along with his board of director experiences with Diplomat Pharmacy, Inc. and Dance Biopharm Holdings Inc., provides him with unique insights into the dynamics and issues of growing public life science companies, and qualifies him for service as a director of our Company. If reelected, Mr. Wolin's term as a director will expire at the 2021 Annual Meeting and upon the election and qualification of his successor.

#### **Recommendation of the Board**

Upon the recommendation of the Governance and Nominating Committee of the Board, the Board has nominated each of Mr. Stuart Paul (Class I), Dr. Robin L. Smith (Class III) and Mr. Benjamin Wolin (Class III) for election as directors.

Mr. Paul's term as a director will expire at the 2022 Annual Meeting as a Class I Director and upon the election and qualification of his successor subject to prior death, resignation, retirement, disqualification or removal. Mr. Paul currently serves as a Class I director and he has indicated a willingness to continue to serve as a director.

Dr. Smith's term as a director will expire at the 2021 Annual Meeting as a Class III Director and upon the election and qualification of her successor subject to prior death, resignation, retirement, disqualification or removal. Dr. Smith currently serves as a Class III director and she has indicated a willingness to continue to serve as a director.

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Mr. Wolin's term as a director will expire at the 2022 Annual Meeting as a Class III Director and upon the election and qualification of his successor subject to prior death, resignation, retirement, disqualification or removal. Mr. Paul currently serves as a Class III director and he has indicated a willingness to continue to serve as a director.

Unless contrary instructions are given, the shares represented by a properly executed proxy will be voted FOR the election of each nominee. Should any of the nominees become unavailable to accept election as a director, the persons named in the enclosed proxy will vote the shares as they represent for the election of such other person as the Board may recommend. Management has no reason to believe that any nominee is unavailable or will not serve if elected.

Information regarding the remainder of our Board, along with corporate governance information, can be found starting on Page 10 of this proxy statement.

### **Vote Required**

The election of a director-nominee requires a plurality of the votes cast in the election pursuant to the Company's Bylaws, as amended. However, under our Principles of Corporate Governance, the election of our director-nominee in an uncontested election requires a majority vote, which is a more demanding standard.

As a result, although nominees would be technically elected to our Board if they receive a plurality of the vote, any who receive a greater number of votes WITHHELD from their election than votes FOR their election must tender their resignation to the Chairman of the Board promptly following certification of the shareholder vote. Any resignation so submitted would be effective upon acceptance by the Board. In that event, within 90 days following certification of the voting results on the election, the Governance and Nominating Committee will determine whether to recommend acceptance of a resignation and will submit such recommendation for prompt consideration by the Board, and the Board will act on the Governance and Nominating Committee's recommendation not later than its next regularly scheduled meeting following receipt of such recommendation. The Governance and Nominating Committee and the Board may consider any factors they deem relevant in deciding whether to accept a resignation. The Company will promptly disclose the Board's decision-making process and decision regarding whether to accept a resignation offer in a Current Report on Form 8-K furnished to the SEC. Nominees generally will not participate in the Governance and Nominating Committee's or the Board's considerations of the appropriateness of their continued service, but may otherwise remain active and engaged in all other Board-related activities, deliberations and decisions while consideration of such director's resignation is ongoing.

Withheld votes and broker non-votes will not be considered votes cast and will have no effect on the election, except as set forth above.

**THE BOARD RECOMMENDS A VOTE "FOR"  
EACH OF THE NOMINEES FOR DIRECTOR**

**DIRECTORS CONTINUING IN OFFICE**

**Information Relating to Our Continuing Directors**

*Class II Directors (Terms Expiring 2020)*

*Lisa N. Colleran*, age 61, has been a director since March 2018. Ms. Colleran has been the principal of LNC Advisors, LLC, a strategic consulting firm that specializes in assisting biotech, pharmaceutical and medical device companies, since February 2014. Prior to founding LNC Advisors, Ms. Colleran served as chief executive officer of LifeCell Corporation, a private regenerative medicine company, and a board member for Centaur Guerney L.P. (a holding company of LifeCell Corporation) from January 2012 to April 2013. Ms. Colleran also served as the global president of LifeCell Corporation from August 2008 to April 2013. Prior to assuming the role of global president, Ms. Colleran served as LifeCell's vice president of marketing and business development from December 2002 until July 2004 and as senior vice president of commercial operations from July 2004 until August 2008. Prior to joining LifeCell, Ms. Colleran served as vice president and general manager of Renal Pharmaceuticals for Baxter Healthcare Corporation from 2000 to December 2002 and served in various other sales and marketing positions at Baxter, from 1983 to 2000. Ms. Colleran currently serves on the board of directors for Establishment Labs, an innovative breast implant company, and Ariste Medical, a company developing a new class of drug eluting medical devices. Ms. Colleran was a member of the board of directors of Axogen, Inc., a company focused on the science, development and commercialization of technologies for peripheral nerve regeneration and repair. Ms. Colleran was also a former officer and director of Vivex Biomedical, Inc., a company that develops creative treatment options and solutions to progress clinical, surgical and therapeutic patient care, and a member of the board of directors of Novadaq Technologies Inc., a leading developer of fluorescence imaging solutions for use in surgical and diagnostic procedures, from January 2017 until the company was sold to Stryker Corporation in August 2017. We believe that Ms. Colleran's more than 30 years of experience leading medical device companies, growing markets and creating shareholder value qualify her for service as a director of our Company. Ms. Colleran's term as a director will expire at the 2020 Annual Meeting and upon the election and qualification of her successor.

*John G. Cooper*, age 60, has been a director since September 2017. Mr. Cooper is currently principal of JGC Advisors, providing corporate development and financial advisory services to emerging life science companies. From 2001 to 2016, Mr. Cooper was a senior executive for Windtree Therapeutics Inc. (formerly Discovery Laboratories, Inc.), a publicly traded specialty pharmaceutical company and the first to receive FDA approval for a synthetic peptide-containing surfactant to address premature infants with respiratory distress syndrome. At Discovery Labs, Mr. Cooper served as president, chief executive officer and member of the board of directors (2013-2016), president and chief financial officer (2010-2013), executive vice president and chief financial officer (2002-2010) and senior vice president and chief financial officer (2001-2002). Previously, Mr. Cooper served as senior vice president and chief financial officer at Chrysalis International Corporation (formerly DNX Corporation, a public biotechnology company), a public drug development services company, where he managed its initial public offering and negotiated and integrated a number of strategic acquisitions, including the sale of the company. Previously, Mr. Cooper served in a senior financial management role at ENI Diagnostics, Inc., a public life sciences company that developed and commercialized the second FDA-approved blood diagnostic test for HIV, and that was acquired by Pharmacia AB. Mr. Cooper earned a certified public accountant credential in 1985 and a Bachelor of Science degree in Commerce from Rider University in 1980. We believe that Mr. Cooper's extensive experiences as a senior executive and director of emerging companies in the life sciences industry, managing development and commercialization matters, strategic alliances, capital raising, strategic planning, and specific expertise in finance, accounting, governance, and investor relations for public life science companies, qualify him for service as a director of our Company. Mr. Cooper's term as a director will expire at the 2020 Annual Meeting and upon the election and qualification of his successor.

*Mark H. Ravich*, age 66, has been a director since June 2017. Mr. Ravich currently serves as president of Tri-Star Management, Inc., a commercial real estate management and syndication company that he co-founded in 1998. Mr. Ravich has also served as a director of Orchids Paper Products Company, a national supplier of high quality consumer tissue products, since February 2013, where he also serves as chairman of its governance committee and a member of its audit committee. Mr. Ravich has also served as a director of each of MR Instruments, Inc., an independent designer and manufacturer of advanced MRI Radiofrequency coils, since June 2004, and Dilon Technologies Inc., a designer and manufacturer of medical imaging solutions, since October 2010. Previously, from 1990 until its sale in 1998, Mr. Ravich served as the chief executive officer and a director of Universal International, Inc., a wholesale retail company, where he also led its IPO. From 1978 to 1990, Mr. Ravich was a developer of commercial real estate where he was involved with all aspects of development, finance, construction, marketing, leasing and management of various commercial, industrial, office and multi-family real estate projects. Mr. Ravich began his career in 1975 as an account officer at Citibank N.A., where he made real estate construction loans to national real estate developers. Mr. Ravich also currently serves as a board advisor to Scidera Inc., a provider of clinical laboratory testing services, and is the chief manager of various real estate entities. Mr. Ravich graduated Magna Cum Laude from the Wharton School of the University of Pennsylvania with a BSE and an MBA degree with a major in finance. We believe that Mr. Ravich's experience as a member of a board of directors of a public company and his experience as a senior leader of his own company qualify him for service as a director of our Company. Mr. Ravich's term as a director will expire at the 2020 Annual Meeting and upon the election and qualification of his successor.

## CORPORATE GOVERNANCE

### Independence

Based on the absence of any material relationship between each such director and the Company, other than in their capacities as directors and shareholders, the Board has determined that each of Messrs. Cooper, Ravich, and Wolin, Ms. Colleran and Dr. Smith (representing all current directors other than Stuart Paul, who also serves as the Company's President and Chief Executive Officer) are independent, as independence is defined in the applicable Nasdaq Stock Market and Securities and Exchange Commission ("SEC") rules.

### Board Leadership Structure and 2018 Transitional Changes

In 2018, the Company underwent significant changes in its leadership and governance structure. In March 2018, our Board determined that it was in the best interests of the Company and our shareholders to separate the role of Chairman of the Board from the role of Chief Executive Officer. Our Board believes that this separate leadership structure enhances the accountability of our Chief Executive Officer to our Board, strengthens our Board's independence from management and ensures a greater role for the independent directors in the oversight of the Company. In addition, our Board believes that separating these roles allows the Chief Executive Officer to focus his efforts on operating our business and managing our Company in the best interests of our shareholders, while the Chairman provides guidance to the Chief Executive Officer and, in consultation with management, helps to set the agenda for Board meetings and establishes priorities and procedures for the work of the full Board. The Chairman presides over meetings of the full Board. Mr. Wolin was appointed as Chairman of the Board in March 2018 and in, September 2018, the Board appointed Stuart Paul as the Company's new President and CEO, as well as a Class I Director.

Our Principles of Corporate Governance provide that our independent directors will select a lead director when the Chairperson does not qualify as an independent director (which is not the situation currently, since our Chairperson qualifies as an independent director). In the event that the independent directors make such a determination, a majority of the independent directors will appoint

a lead director. In the event that a lead director is designated, his or her duties would include: assisting the Chairperson of the Board and the Board in assuring compliance with and implementation of the Company's Principles of Corporate Governance, coordinating the agendas for, and moderating executive sessions of, the Board's non-management directors and facilitating communications between the non-management directors and the other members of the Board and the management of the Company.

Our Board believes that the current Board leadership structure is in the best interests of the Company and its shareholders at this time. Our Board recognizes that no single leadership model is right for all companies and at all times and that, depending on the circumstances, other leadership models, such as combining the Chairperson and Chief Executive Officer roles, might be appropriate. Accordingly, our Board periodically reviews its leadership structure. Our Principles of Corporate Governance provide the flexibility for our Board to modify or continue its leadership structure in the future, as it deems appropriate.

#### **Meetings and Committees of the Board of Directors**

During 2018, the Board held 32 meetings. Each current director attended at least 75% of the total number of meetings of the Board and committees of which they were a member in 2018. We encourage all of our directors to attend the annual meetings of shareholders, if possible, but have no formal policy on such attendance. Our 2018 Annual Meeting of Shareholders was conducted virtually, with a majority of the then-sitting directors attending the meeting. In addition to formal Board meetings, the Board members have frequent informal discussions and conferences with management throughout the year.

#### ***Audit Committee***

We have an Audit Committee which is currently comprised of Messrs. Cooper (Chairman), and Ravich and Dr. Smith. The Board has determined that Mr. Cooper, who is the Chairman of the Audit Committee, is an "audit committee financial expert," as defined by applicable SEC rules. In addition, the Board has determined that each member of the Audit Committee is independent as independence for audit committee members is defined in applicable Nasdaq Stock Market and SEC rules. During 2018, the Audit Committee held 10 meetings. The Board has adopted a written charter for the Audit Committee, a copy of which is posted on our website at [www.rockwellmed.com](http://www.rockwellmed.com). Pursuant to its charter, the purpose of the Audit Committee is to assist the Board in its oversight of the quality and integrity of the accounting, auditing and financial reporting practices of the Company. The functions of the Audit Committee include, among other things, (1) monitoring the adequacy of the Company's internal controls; (2) engaging and overseeing the work of the registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for us, including the conduct of the annual audit and overseeing the independence of such firm; (3) overseeing our independent accountants' relationship with the Company; (4) reviewing the audited financial statements and the matters required to be discussed by Auditing Standard No. 1301 with management and the independent accountants, including their judgments about the quality of our accounting principles, applications and practices; (5) recommending to the Board whether our current audited financial statements should be included in our Annual Report on Form 10-K; (6) reviewing with management and our independent accountants our quarterly financial information before we file our Forms 10-Q; (7) reviewing procedures for the receipt, retention and treatment of complaints received by us regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by our employees of concerns regarding questionable accounting or auditing matters; (8) reviewing related party transactions required to be disclosed in our proxy statement for potential conflict of interest situations and, where appropriate, approving such transactions; (9) monitoring with management the status of pending litigation and investigations.

*Audit Committee Report*

Our Audit Committee has:

Reviewed and discussed with management our audited financial statements for the year ended December 31, 2018;

Discussed with our independent accountants the matters required to be discussed by Auditing Standard No. 1301, "Communications with Audit Committees" issued by the Public Company Accounting Oversight Board;

Received the written disclosures and the letter from our independent accountants required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the Audit Committee concerning independence; and

Discussed with our independent accountants the independent accountants' independence.

Based on its review and discussions described above, our Audit Committee recommended to our Board that our audited financial statements be included in our Annual Report on Form 10-K for the year ended December 31, 2018 as filed with the SEC.

Management is responsible for our financial reporting process, including its system of internal control, and for the preparation of consolidated financial statements in accordance with generally accepted accounting principles. Our independent accountants are responsible for auditing those financial statements. Our Audit Committee's responsibility is to monitor and review these processes. Our Audit Committee has relied, without independent verification, on management's representation that our financial statements have been prepared with integrity and objectivity and in conformity with accounting principles generally accepted in the United States of America and on the representations of our independent accountants included in their report on our financial statements.

By the Audit Committee:  
John G. Cooper (Chairman)  
Mark Ravich  
Robin L. Smith

*Compensation Committee*

We have a Compensation Committee which is currently comprised of Ms. Colleran (Chairwoman) and Messrs. Ravich and Wolin. The Compensation Committee has a written charter setting forth the responsibilities of the Committee, a copy of which is posted on our website at [www.rockwellmed.com](http://www.rockwellmed.com). The charter provides that the Compensation Committee will oversee, review and approve all compensation and benefits for executive officers and make recommendations to the Board for director compensation.

The Compensation Committee is also responsible for administering the stock compensation program, overseeing the development of our compensation and employee benefit plans and discharging its responsibilities under such plans, reporting to the Board on our compensation policies, programs and plans, and approving other employee compensation and benefit programs where Board action is necessary or appropriate. The Compensation Committee held 8 meetings in 2018. Except to the extent prohibited by Nasdaq Stock Market rules and state law, our Compensation Committee may delegate its authority to subcommittees when it deems appropriate and in the best interests of the Company.



### *Governance and Nominating Committee*

We have a Governance and Nominating Committee which is currently comprised of Dr. Smith (Chairwoman), Ms. Colleran and Mr. Cooper. Our Governance and Nominating Committee held 8 meetings in 2018. Our Governance and Nominating Committee has a written charter setting forth the responsibilities of the Committee, a copy of which is posted on our website at [www.rockwellmed.com](http://www.rockwellmed.com). Pursuant to the charter, the Governance and Nominating Committee is generally responsible for (1) oversight of the corporate governance of the Company; (2) recommending appropriate corporate governance practices; (3) identifying individuals qualified to become directors and selecting, or recommending that the Board select, the candidates for all directorships to be filled by the Board or by the shareholders; and (4) oversight of the evaluation of the Board and its committees. In identifying candidates for director, our Governance and Nominating Committee will consider suggestions from incumbent directors, management or others, including shareholders. Our Governance and Nominating Committee may retain the services of a consultant from time to time to identify qualified candidates for director. Our Governance and Nominating Committee reviews all candidates in the same manner without regard to who suggested the candidate. In selecting candidates, our Governance and Nominating Committee will consider all factors it believes appropriate, which may include (1) ensuring that the Board, as a whole, is diverse and consists of individuals with various and relevant career experience, technical skill, industry knowledge and experience, financial expertise, local or community ties, and (2) individual qualifications, including strength of character, mature judgment, familiarity with our business and industry, especially the life sciences industry, independence of thought and an ability to work collegially. Although it has no formal policy with regard to diversity, the charter states that our Governance and Nominating Committee should, with respect to diversity, consider such factors as differences of viewpoint, education, skill and other individual qualities and attributes that contribute to board heterogeneity, including characteristics such as race, gender and national origin. Our Governance and Nominating Committee is committed to seeking highly qualified candidates inclusive of all national origins, races and genders to include in the pool from which director nominees are chosen.

### **Nominations of Directors**

Nominees for director that are proposed by shareholders must be proposed pursuant to timely notice in writing to our Secretary, at Rockwell Medical, Inc., 30142 Wixom Road, Wixom, Michigan 48393, as provided in our bylaws. The requirements for proposing director candidates, set forth in Section 2.5 of our bylaws, are described below and are substantively equivalent to those that will govern the Company if shareholders approve, and the Company consummates, Proposal 3 (Reincorporation of the Company from Michigan to Delaware).

Shareholders proposing director nominees for election at the 2020 Annual Meeting must provide written notice of such intention, along with the other information required by Section 2.5 of our bylaws, to our Secretary at our principal executive offices no earlier than the close of business on February 7, 2020 and no later than the close of business on March 8, 2020. If the 2020 Annual Meeting date is significantly advanced or delayed from the first anniversary of the date of the Annual Meeting, then the notice and information must be given not later than the 90th day before the meeting or, if later, the 10th day after the first public disclosure of the date of the 2019 Annual Meeting. With respect to an election to be held at a special meeting of shareholders, such notice must be given in accordance with the procedures set forth in our bylaws no earlier than the close of business on the 120th day before and not later than the close of business on the 90th day before the date of such special meeting or, if later, the 10th day after the first public disclosure of the date of such special meeting. Notwithstanding the foregoing, if the number of directors to be elected is increased and there is no public disclosure regarding such increase or naming all of the nominees for director at least 100 days prior to the first anniversary of the prior year's annual meeting, then shareholder notice with regard to nomination of directors shall be considered timely if received by our Corporate Secretary no later than the tenth day

following public disclosure of the increase in the number of directors to be elected. A proponent must also update the information provided in or with the notice at the times specified by our bylaws. Nominees for director pursuant to a notice which is not timely given or does not contain the information required by our bylaws or which is not delivered in compliance with the procedure set forth in our bylaws will not be considered at the shareholders meeting.

Only persons who are shareholders both as of the giving of notice and the date of the shareholders meeting and who are eligible to vote at the shareholders meeting are eligible to nominate directors. The nominating shareholder (or his qualified representative) must attend the shareholders meeting in person and present the proposed nominee in order for the proposed nominee to be considered.

The Board has not established specific, minimum qualifications for recommended nominees or specific qualities or skills for one or more of our directors to possess. The Board uses a subjective process for identifying and evaluating candidates for nomination as a director, based on the information available to, and the subjective judgments of, the members of the Board and our then current needs. The Board does not believe there would be any difference in the manner in which it evaluates candidates based on whether the candidate is recommended by a shareholder.

### **Board Role in Risk Oversight**

Our Board has an active role, as a whole and also at the committee level, in overseeing management of the Company's enterprise risks. While our Board oversees the Company's enterprise risk management and establishes policies, Company management is responsible for day-to-day enterprise risk management processes. The Board and its committees administer their enterprise risk oversight function through regular, periodic reporting from and discussions with management appropriate to the nature and magnitude of the particular enterprise risk. Our Audit Committee oversees management of financial risks and risks associated with conflicts of interest. Our Compensation Committee oversees management of risks relating to executive compensation plans and arrangements. While each committee is responsible for evaluating certain risks and overseeing management of those risks, the entire Board is regularly informed about those risks. In addition, management's role is to evaluate and assess business risks and to inform the Board of its evaluation of such business risks periodically.

### **Code of Business Conduct and Ethics**

Our Board has adopted a Code of Business Conduct and Ethics that applies to all of our employees, officers and directors, including our principal executive officer, principal financial officer and principal accounting officer or controller. Our Code of Business Conduct and Ethics contains written standards that we believe are reasonably designed to deter wrongdoing and to promote:

Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

Full, fair, accurate, timely and understandable disclosure in reports and documents that we file with, or submit to, the SEC and in other public communications we make;

Compliance with applicable governmental laws, rules and regulations;

The prompt internal reporting of violations of the Code of Business Conduct and Ethics to the appropriate person or persons; and

Accountability for adherence to the Code of Business Conduct and Ethics.

## **Principles of Corporate Governance**

Our Board has adopted and annually reviews our Principles of Corporate Governance. In December 2018, the Board further revised these principles to clarify the responsibilities of the Board and its accountability to shareholders. These Principles of Corporate Governance, along with the charters of our Board's committees and our Articles of Incorporation and Bylaws, form the framework for the governance of our Company. These principles include principal board responsibilities, our Majority Voting Policy, Clawback Policy, Lead Independent Director Charter (when our Chief Executive Officer is also the Chairman of the Board), the Board's policy against hedging and pledging our common shares, and stock ownership guidelines. Our Principles of Corporate Governance, as currently in effect, are available on our website at [www.rockwellmed.com](http://www.rockwellmed.com) through the "Investors" page.

## **Shareholder Communications with the Board**

Our Board has a process for our shareholders to send communications to our Board or Audit Committee, including complaints regarding accounting, internal accounting controls or auditing matters. Communications may be sent to our Board, our Audit Committee or specific directors by regular mail to the attention of our Board, our Audit Committee or specific directors, at our principal executive offices at 30142 Wixom Road, Wixom, Michigan 48393. All of these communications will be initially reviewed by our Secretary (1) to filter out communications that the Secretary deems are not appropriate for the directors, such as communications offering to buy or sell products or services, and (2) to sort and relay the remainder (unedited) to the appropriate directors.

## **Related Party Transactions**

Pursuant to its charter, our Audit Committee is charged with monitoring and reviewing transactions and relationships involving independence and potential conflicts of interest with respect to our directors and executive officers. To the extent any such transactions are proposed, they would be subject to approval by our Audit Committee in accordance with applicable law and the Nasdaq Stock Market rules, which require that any such transactions required to be disclosed in our proxy statement be approved by a committee of independent directors of our Board. In addition, our Code of Business Conduct and Ethics generally requires directors and employees to avoid conflicts of interest. There were no transactions since January 1, 2018, and there is no currently proposed transaction, in which the Company was or is to be a participant, the amount involved exceeded or will exceed \$120,000, and in which any director, executive officer of the Company or any immediate family member of any of such persons had or will have a direct or indirect material interest, except as described below under "Settlement Agreement" and "Triferic® License Agreements".

## ***Settlement Agreement***

On August 7, 2018, we entered into a confidential settlement and mutual release agreement (the "Settlement Agreement") with the Company's former CEO and director, Robert Chioini, former CFO Thomas Klema, and former directors Patrick Bagley and Ronald Boyd (the "Settling Parties"). The Settlement Agreement resolved ongoing litigation regarding the Company's termination of Mr. Chioini and Mr. Klema in May 2018. Pursuant to the Settlement Agreement, the Company agreed to: (i) pay the Settling Parties a total of \$1,500,000, one-half of which was paid at execution of the Settlement Agreement and the remainder in nine equal monthly installments of \$83,333, with the last installment being paid in May 2019; (ii) pay \$30,000 to Mr. Boyd; (iii) accelerate the vesting of options held by the Mr. Chioini and Mr. Klema as of the date of their terminations; and (iv) grant an extended option exercise period for vested options. As part of the Settlement agreement, the Settling Parties also agreed to certain standstill covenants for a period of approximately five years and agreed to forfeit a total of 333,200 unvested shares of restricted common stock.

*Triferic® License Agreements*

We are party to a license agreement, dated January 7, 2002, with Charak LLC ("Charak") and its owner, Dr. Ajay Gupta, for our Triferic® product that covers issued patents in the United States, the European Union and Japan, as well as patent and pending patent applications in other foreign jurisdictions. Dr. Gupta joined us as our Chief Scientific Officer in 2009. The license agreement, which was negotiated on an arm's length basis before Dr. Gupta had any employment relationship with us, continues for the duration of the underlying patents in each country. We are obligated under the license agreement to make certain milestone payments and to pay ongoing royalties upon successful introduction of the product. No royalties were accrued and payable pursuant to the license agreements for 2018.

In October 2018, we entered into a Master Services and IP Agreement (the "MSA") with Charak and Dr. Gupta. Pursuant to the MSA, we entered into three additional agreements related to the license of certain soluble ferric pyrophosphate intellectual property owned by Charak. The MSA provides for a payment of \$1,000,000 to Dr. Gupta, of which \$250,000 was paid in 2018 and the remainder will be paid in installments over 2019, as well as the reimbursement for certain legal fees incurred in connection with the MSA. Pursuant to the MSA, we entered into an amendment to the 2002 license agreement and entered into new license agreements providing for additional rights relating to Triferic. No royalties were accrued and payable pursuant to these agreement for 2018.

## EXECUTIVE OFFICERS

The executive officers of the Company are elected or appointed annually and serve as executive officers of the Company at the pleasure of our Board. The Company's current executive officers are described below.

*Stuart Paul*, age 59, has been a director since August 2018 and the Company's CEO and President since September 2018. Mr. Paul's business experience is described above under "Nominees For Reelection to Our Board."

*Angus Smith*, age 36, joined the Company as its Chief Financial Officer in November 2018. Prior to joining the Company, Mr. Smith served in variety of finance roles in the health care industry including most recently as Senior Vice President, Chief Business Officer and Principal Financial Officer at Pernix Therapeutics Holdings, Inc. ("Pernix"), a specialty pharmaceutical company, from February 2018 until November 2018, where Mr. Smith was responsible for the oversight of Pernix's financial operations and management of Pernix's business development activities, as well as relationships with investors and other key constituents in the financial community. Previously at Pernix, Mr. Smith served as Vice President, Business Development & Strategic Planning from July 2016 to February 2018 and as Vice President, M&A and Corporate Finance from September 2014 to July 2016. Pernix filed for bankruptcy under Chapter 11 of the U.S. Bankruptcy Code in February 2019 following the entry of a generic version of the Pernix migraine drug Treximet. From October 2011 to September 2014, Mr. Smith served as a Director in the Healthcare Investment Banking Group at Cantor Fitzgerald, a financial services firm. Mr. Smith previously held several positions of increasing responsibility in the Healthcare Investment Banking group at Gleacher & Company, a financial advisory firm, and various predecessor firms from July 2005 to August 2011. Mr. Smith earned a B.A. in Mathematical Economics from Colgate University in 2005.

*Ajay Gupta M.D.*, age 61, joined the Company as Chief Scientific Officer in June 2009. Before joining the Company, Dr. Gupta spent the prior seven years as an associate professor of medicine at UCLA and Charles Drew University Schools of Medicine, Los Angeles, CA, where he had an active nephrology practice. Prior to that, Dr. Gupta served on the faculties of Henry Ford Hospital, Detroit, MI, University of Alabama, Birmingham, State University of New York, Syracuse and Washington University, St. Louis. Dr. Gupta also completed a clinical fellowship in Nephrology from Wayne State University, Detroit, Michigan and a research fellowship in Nephrology from Washington University, St. Louis, Missouri. Dr. Gupta, who is the founder and chairman of the Indian Society for Bone and Mineral Research, earned his MBBS degree and completed his residency in Internal Medicine from All India Institute of Medical Sciences, New Delhi.

*Raymond D. Pratt M.D.*, age 68, joined the Company in April 2012 as its Chief Medical Officer. Prior to joining the Company, Dr. Pratt worked at Shire PLLC from 2003 to 2010 as vice president research and development and as the scientific leader in its Emerging Business Unit and Renal Business Unit. Previous roles at Shire included vice president global clinical medicine and global clinical affairs and head of US Clinical Development. Dr. Pratt served in a consulting role at Quintiles, a global biopharmaceutical services company, as a vice president of strategic drug development innovation from August 2011 until joining the Company, and as an industry consultant during 2011 after leaving Shire. Prior to working at Shire, he was senior director, clinical research and development at Eisai Medical Research from 1994 to 2003, where he was head of central nervous system and internal medicine clinical development. Dr. Pratt is a graduate of the University of Illinois College of Medicine and completed his nephrology fellowship at the Walter Reed Army Medical Center where he practiced nephrology and served as the assistant chief of nephrology services and director of dialysis services from 1983 to 1985. Dr. Pratt was the recipient of a physician scientist training grant at Johns Hopkins School of Medicine and the recipient of a James Shannon New Investigator award from the NIH. He served as an assistant professor in the John Hopkins Department of Medicine and Nephrology from 1989 to 1993.

## COMPENSATION OF EXECUTIVE OFFICERS

### Overview

During 2018, the Company underwent significant change in terms of leadership and resulting executive compensation actions. In May 2018, the Board of Directors terminated the employment of Robert Chioini and Thomas Klema, who had previously served as the Company's Chief Executive Officer and Chief Financial Officer, respectively. Following the termination of Messrs. Chioini and Klema, the Company operated for a time with a smaller management team, comprised of Drs. Gupta and Pratt, the Company's Chief Scientific Officer and Chief Medical Officer, and David J. Kull, the Company's controller and principal accounting officer, coupled with board-level support and oversight. In September 2018, the Company appointed Stuart Paul as the President and Chief Executive Officer, filling the role left vacant with Mr. Chioini's removal. In November 2018, the Company appointed Angus Smith as Chief Financial Officer, occupying the role left vacant with the removal of Mr. Klema.

As a result of these changes, actions of the Compensation Committee in 2018 were focused on providing appropriate incentives and market-based compensation adjustments for existing employees, as well as setting competitive, market-based compensation packages for Messrs. Paul and Smith as an inducement for them to join the Company and oversee the transition of a new leadership team. The following table sets forth the total compensation paid to or earned by Messrs. Paul, Smith and Chioini and Dr. Gupta (the "NEOs") during each of the last two years, or such shorter period during which they served as a named executive officer.

**Summary Compensation Table**

<b>Name and Principal Position</b>	<b>Year</b>	<b>Salary(\$)</b>	<b>Bonus\$(a)</b>	<b>Stock Awards\$(b)</b>	<b>Option Awards\$(c)</b>	<b>Total(\$)</b>
<b><i>Current Executive Officers</i></b>						
Stuart Paul <i>Chief Executive Officer</i>	2018	184,615	300,000	4,782,994	2,216,194	7,483,803
Angus Smith <i>Chief Financial Officer</i>	2018	20,000	125,000	551,002	752,221	1,448,223
Dr. Ajay Gupta <i>Chief Scientific Officer</i>	2018	506,415	60,000	388,000		954,415