

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

IN RE ROCKWELL MEDICAL, INC.
STOCKHOLDER DERIVATIVE
LITIGATION

Lead Case No. 1:19-cv-02373-ARR-RER
(Consolidated with No. 1:19-cv-02774-ARR-RER)

This Document Relates To:

ALL ACTIONS.

Hon. Ramon E. Reyes, Jr.

FINAL JUDGMENT

A hearing having been held before this Court (the "Court") on August 10, 2020 (the "Settlement Hearing"), pursuant to this Court's Order dated June 2, 2020 (the "Preliminary Approval Order") in the above-captioned action (the "Litigation"), upon a Stipulation of Settlement, dated May 18, 2020 (the "Stipulation"), which, together with the exhibits annexed to it, states the terms and conditions for a proposed Settlement of the Litigation among the Settling Parties and for dismissal of the Litigation against the Defendants and their Related Persons with prejudice upon the terms and conditions stated in the Stipulation, which (along with the Preliminary Approval Order) is incorporated herein by reference, it appearing that due notice of said Settlement Hearing has been given in accordance with the aforesaid Preliminary Approval Order; the respective parties having appeared by their attorneys of record; the Court having heard and considered evidence in support of the proposed settlement (the "Settlement" set forth in the Stipulation); the attorneys for the respective parties having been heard; an opportunity to be heard having been given to all other persons requesting to be heard in accordance with the Preliminary Approval Order; the Court having determined that notice to the stockholders of Rockwell Medical, Inc. ("Rockwell") was adequate and sufficient; and the entire matter of the proposed Settlement having been heard and considered by the Court:

IT IS HEREBY ORDERED, ADJUDGED, and DECREED, THIS 10th DAY OF August 2020, AS FOLLOWS:

1. Unless otherwise defined herein, all defined terms shall have the meanings as set forth in the Stipulation.

2. The Notice of Pendency and Proposed Settlement of the Derivative Action has been given to Rockwell's stockholders pursuant to and in the manner directed by the Preliminary Approval Order, an appropriate proof of Notice and compliance with the other Notice procedures set forth in the Preliminary Approval Order has been filed with the Court and full opportunity to be heard has been offered to all parties to the Litigation, and Rockwell's current stockholders. The form and method of notice is hereby determined to have been the best notice practicable under the circumstances, constitutes due and sufficient notice of the Settlement Hearing to all persons entitled to receive such notice, and meets the requirements of Rule 23.1 of the Federal Rules of Civil Procedure, due process, and all other applicable laws, and it is further determined that Rockwell and Rockwell's current stockholders are bound by the Judgment herein.

3. The Stipulation and the terms of the Settlement as described in the Stipulation and the Notice are found to be adequate, fair, and reasonable, and are hereby approved pursuant to Rule 23.1 of the Federal Rules of Civil Procedure. The Settling Parties are hereby authorized and directed to comply with and to consummate the Settlement in accordance with the terms and provisions set forth in the Stipulation, and the Clerk of the Court is directed to enter and docket this Judgment in the Litigation.

4. The Court hereby approves the Fee and Expense Amount and directs payment to Plaintiffs' Counsel of the Fee and Expense Amount in accordance with the terms of the Stipulation.

5. The Court hereby approves a service award of \$2,500 for each of the Plaintiffs, to be paid from Plaintiffs' Counsel's Fee and Expense Amount, in recognition of Plaintiffs' participation and effort in the prosecution of the Litigation.

6. The Litigation has been initiated, filed, and prosecuted by Plaintiffs in good faith and defended by Defendants in good faith, and all Settling Parties and their respective counsel complied with the requirements of Rule 11 of the Federal Rules of Civil Procedure and all other similar laws.

7. In the event that the Settlement is vacated or modified on appeal, or if the Judgment does not become Final, or if any other condition necessary for the Settlement to become effective fails to occur, then any of the Settling Parties may terminate the Stipulation and withdraw from the Settlement by providing written notice of such action to counsel for all of the other Settling Parties within thirty (30) calendar days after the failure of such condition, in which case the Stipulation shall be voided. In the event that the Settlement is terminated as provided herein (and pursuant to Paragraph 7.2 of the Stipulation), the Settlement and any actions taken in connection therewith shall become null and void for all purposes, and all negotiations, transactions, and proceedings connected with it: (i) shall be without prejudice to the rights and position of any Party, with respect to the Litigation or any other litigation or judicial proceedings; (ii) shall not entitle any Party to recover any costs or expenses incurred in connection with the implementation of the Stipulation; (iii) shall not be deemed to be or construed as evidence of, or an admission by any Party of, any fact, matter or thing; and (iv) shall be subject to Rule 408 of the Federal Rules of Evidence and any similar rule of evidence in any state or other jurisdiction prohibiting the admission of settlements, compromises, or offers of compromise to prove either liability or invalidity of a claim or amount of damages, and any conduct or statements made during settlement

negotiations, such that the contents of the Stipulation shall not be admissible in evidence or be referred to or otherwise used for any purpose in any subsequent proceedings in the Litigation or any other litigation or proceeding. In the event that the Settlement is terminated as provided herein (and pursuant to Paragraph 7.2 of the Stipulation), the Settling Parties shall be deemed to have reverted to their respective statuses in the Litigation as of the date and time immediately prior to the execution of the Stipulation, and, except as otherwise expressly provided, the Settling Parties shall proceed in all respects as if the Stipulation and any related orders had not been executed and/or entered. In the event the Stipulation is terminated as provided herein (and pursuant to Paragraph 7.2 of the Stipulation), Paragraphs 4.4, 7.3 and 9.3 of the Stipulation shall survive.

8. Neither the Stipulation, including the exhibits thereto; the Settlement; the acts performed or negotiations, discussions and drafts leading to the execution of the Stipulation or the Settlement; nor any proceedings pursuant to or in connection with the Stipulation or the approval of the Settlement (including any arguments proffered or statements made in connection therewith):

- a) shall be offered against any of the Released Persons as evidence of, or construed as, or deemed to be evidence of any presumption, concession, or admission by any of the Released Persons with respect to the truth of any allegation by Plaintiffs in this Litigation, the validity of any claim that was or could have been asserted against the Released Persons in this Litigation, the deficiency of any defense that has been or could have been asserted in this Litigation or in any other litigation, or of any liability, negligence, fault, or other wrongdoing of any kind of any of the Released Persons, or in any way referred to for any other reason as against any of the Released Persons

in any civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of the Stipulation;

- b) shall be offered against any of Plaintiffs or Rockwell, as evidence of, or construed as, or deemed to be evidence of any presumption, concession or admission by any of the Plaintiffs or Rockwell that any of their claims are without merit, that any of the Released Persons had meritorious defenses, or with respect to any liability, negligence, fault or wrongdoing of any kind, or in any way referred to for any other reason as against any of the Plaintiffs or Rockwell, in any civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of the Stipulation; or;
- c) shall be construed against any Released Persons, Plaintiffs, or Rockwell as an admission, concession, or presumption that the consideration to be given hereunder represents the consideration that could be or would have been recovered after trial; provided, however, that the Released Persons, Plaintiffs, or Rockwell and their respective counsel may refer to the Stipulation to effectuate the protections from liability granted pursuant to the Stipulation and this Judgment or otherwise to enforce the terms of the Settlement.

9. The Litigation is hereby dismissed with prejudice and, except as stated herein, without costs.

10. Pursuant to this Judgment, without further action by anyone, upon the Effective Date of the Settlement, Plaintiffs (on their own behalf individually and derivatively on behalf of Rockwell), Rockwell (on behalf of itself and each of its Related Persons), and each of Rockwell's shareholders, and their Related Persons, shall be deemed to have, and by operation of law and of this Judgment shall have, fully, finally, and forever compromised, settled, released, resolved, relinquished, waived, and discharged each and every Released Plaintiffs' Claim against the Released Persons, and shall forever be permanently barred and enjoined from the institution, maintenance, prosecution, or enforcement of any or all of the Released Plaintiffs' Claims against any of the Released Persons. Pursuant to this Judgment, without further action by anyone, upon the Effective Date of the Settlement, the Released Persons shall be deemed to have, and by operation of law and of this Judgment shall have, fully, finally, and forever compromised, settled, released, resolved, relinquished, waived, and discharged each and every Released Defendants' Claim against Plaintiffs, Plaintiffs' Counsel, and Rockwell, and shall forever be permanently barred and enjoined from the institution, maintenance, prosecution, or enforcement of any or all of the Released Defendants' Claims against any of the Plaintiffs or Rockwell. Notwithstanding the foregoing Releases of the Released Claims, nothing in this Judgment shall bar any action by any of the Settling Parties to enforce or effectuate the terms of the Stipulation or this Judgment.

11. "Released Claims" means all Released Plaintiffs' Claims and all Released Defendants' Claims.

12. "Released Plaintiffs' Claims" means any and all claims (including Unknown Claims (as defined in Paragraph 1.16 of the Stipulation)), demands, debts, losses, damages, duties, rights, disputes, actions, causes of action, liabilities, obligations, judgments, suits, matters, controversies, proceedings, or issues, of any kind, nature, character, or description whatsoever (and

including, but not limited to, any claims for damages, whether compensatory, consequential, special, punitive, exemplary, or otherwise, and any and all fees, costs, interest, expenses, or charges), whether known or unknown, contingent or absolute, suspected or unsuspected, foreseen or unforeseen, disclosed or undisclosed, apparent or not apparent, accrued or unaccrued, matured or unmatured, liquidated or not liquidated, asserted or unasserted, at law or in equity, that have been asserted, could have been asserted, or in the future could be asserted by Plaintiffs, Rockwell (on behalf of itself and each of its Related Parties), and/or any Rockwell shareholder derivatively on behalf of Rockwell against any Released Persons in the Litigation or in any other court, tribunal, forum or proceeding (including, but not limited to, any claims arising under U.S. federal, state or local law, foreign law, common law, statutory law, administrative law, rule, regulation, or at equity), relating to alleged fraud, breach of any duty (including, but not limited to, breaches of fiduciary duties, breaches of the duty of care, or breaches of the duty of loyalty), negligence or gross negligence, mismanagement or gross mismanagement, corporate waste, abuse of control, unjust enrichment, disgorgement, recoupment, contribution or indemnification, violations of the federal securities laws, or otherwise that are based upon, are related to, or arise from: (i) the claims, facts, matters, transactions, events, occurrences, acts, disclosures, statements, representations, omissions or failures to act, or any other circumstances, which were alleged or referred to in the Litigation; (ii) any compensation, pay, bonus, severance, or benefits received by any Released Person relating to or in connection with any allegations made in the Litigation; and/or (iii) the settlement of the Litigation and the reasonable attorneys' fees, costs, and expenses incurred in defense thereof, except for any claims to enforce the Settlement. For purposes of clarity, the Settlement is not intended to and does not release any claims arising from or relating in any way to the allegations made in *Mulkie-Bey, Jr. v. Rockwell Medical, Inc.* No. 2020-0317 (Del. Ch. April

29, 2020), or any claims arising from or relating in any way to the allegations made in that action that are subsequently brought in any other lawsuit.

13. "Released Defendants' Claims" means any and all claims, demands, suits, matters, issues, causes of action, liabilities, obligations, expenses, damages, losses, judgments, or any other matters of any kind, including Unknown Claims (as defined in Paragraph 1.16 of the Stipulation), whether under state, federal or foreign law that have been, could have been, or in the future could be asserted in any forum by the Released Persons, collectively, any of them individually, or by the successors and assigns of any of them against any of the Plaintiffs or their beneficiaries, Plaintiffs' Counsel, or Rockwell that arise out of or relate in any way to the institution, prosecution, or settlement of the Litigation (except for claims to enforce the terms of the Settlement). Released Defendants' Claims shall not include any claims to enforce the Settlement, or any indemnification, advancement or insurance claims that any Released Person has or may have, including, but not limited to, any rights any Released Person has or may have related to any pending or threatened civil or government proceedings.

14. "Released Persons" means any and all of the Defendants and any and all of their Related Persons.

15. Any appeal or proceeding seeking subsequent judicial review pertaining solely to an order issued with respect to attorneys' fees, costs or expenses shall not in any way delay or preclude this Judgment from becoming Final.

16. Without affecting the finality of this Judgment in any way, the Court retains jurisdiction with respect to implementation and enforcement of the terms of the Stipulation and this Judgment and to consider any matters or disputes arising out of or relating to the Settlement, and all Settling Parties hereto submit to the jurisdiction of the Court only for the purposes of

implementing and enforcing the Settlement embodied in the Stipulation and this Judgment, and for matters or disputes arising out of or relating to the Settlement.

17. There is no reason for delay in the entry of this Judgment and immediate entry by the Clerk of the Court is expressly directed by the Court.

IT IS SO ORDERED.

DATED: August 10, 2020



HON. RAMON E. REYES, JR.
UNITED STATES MAGISTRATE JUDGE