

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

IN RE ROCKWELL MEDICAL, INC.
STOCKHOLDER DERIVATIVE
LITIGATION

This Document Relates To:

ALL ACTIONS.

Lead Case No. 1:19-cv-02373-ARR-RER

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

Honorable Allyne R. Ross

**STIPULATION OF SETTLEMENT
AND [PROPOSED] ORDER**

Plaintiffs Bill Le Clair and John Post (collectively, the "Plaintiffs" or, individually, "Plaintiff"), nominal defendant Rockwell Medical, Inc. ("Rockwell" or the "Company"), and individual defendants Benjamin Wolin, Robin L. Smith, Mark H. Ravich, John G. Cooper, Lisa N. Colleran, Patrick J. Bagley, Ronald D. Boyd, Robert L. Chioini and Thomas E. Klema (together, the "Individual Defendants" and collectively, with the Company, the "Defendants"), who are the parties (the "Settling Parties" or, individually, "Party") to the action captioned *In re Rockwell Medical, Inc. Stockholder Derivative Litigation*, Lead Case No. 1:19-cv-02373-ARR-RER (the "Litigation"), by and through their respective attorneys, have entered into this Stipulation of Settlement (the "Stipulation"), subject to approval of the United States District Court for the Eastern District of New York (the "Court"). The settlement contemplated by this Stipulation is referred to herein as the "Settlement." Throughout this Stipulation, all capitalized terms used, but not immediately defined, have the meanings given to them in Section V.1., *infra*.

I. FACTUAL AND PROCEDURAL BACKGROUND

A. Proceedings in this Derivative Action

Plaintiff Le Clair filed a Verified Stockholder Derivative Complaint on April 23, 2019 in Case No. 1:19-cv-02373, and Plaintiff Post filed a Verified Stockholder Derivative Complaint on May 10, 2019 in Case No. 1:19-cv-02774.

On June 14, 2019, the Court entered an order (the "June 14 Order") which, in part, (i) consolidated Case No. 1:19-cv-02373 and Case No. 1:19-cv-02774 for all purposes, including pre-trial proceedings and trial; (ii) designated Robbins LLP as lead counsel for Plaintiffs in the Litigation ("Lead Counsel"); and (iii) designated the Law Offices of Thomas G. Amon as liaison counsel for Plaintiffs in the Litigation ("Liaison Counsel").

Plaintiffs filed their Verified Consolidated Stockholder Derivative Complaint (the "Consolidated Complaint") on October 28, 2019. Plaintiffs allege that they made demands on Rockwell's Board to investigate and take action against the Defendants, and allege in the Consolidated Complaint that the Board wrongfully ignored – and therefore effectively refused – Plaintiffs' demands. The Consolidated Complaint alleges, *inter alia*, that the Individual Defendants breached their duty of loyalty to the Company because they knew or were reckless in not knowing that: (i) the Centers for Medicare & Medicaid Services had already denied Rockwell's proposal for separate reimbursement of its drug Triferic by no later than March 27, 2018, of which Rockwell was well aware; (ii) Rockwell's estimated reserve figures were understated; (iii) the denial of separate reimbursement of Triferic has significant implications to the Company's reserves and future projections; (iv) the Company was experiencing known but undisclosed deficiencies in its internal controls; and (v) as a result, Rockwell's representations concerning the effectiveness of its internal controls and certifications pursuant to the Sarbanes-Oxley Act of 2002 were improper.

B. Proceedings in the Related Federal Securities Actions

Two putative securities class actions, titled *Too v. Rockwell Medical, Inc., et al.*, No. 1:18-cv-04253, and *Spock v. Rockwell Medical, Inc., et al.*, No. 2:18-cv-4993 (the "Securities Class Actions"), alleging some of the same misstatements alleged in the Litigation, were filed on July 27, 2018 and September 4, 2018, respectively. On October 10, 2018, those actions were consolidated into a single action (the "Securities Class Action"). On December 10, 2018, the plaintiffs in the Securities Class Action filed a consolidated complaint, alleging violations of Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated thereunder, and Section 20(a) of the Exchange Act. Defendants in the Securities Class Action filed answers to the consolidated complaint on February 18, 2019.

On June 3, 2019, the parties to the Securities Class Action entered into a memorandum of understanding that set forth, among other things, their agreement to settle and release all claims asserted against the defendants in the Securities Class Action in exchange for a cash payment by or on behalf of the defendants of \$3,700,000. On February 26, 2020, this Court fully and finally approved the parties' settlement and dismissed all of the claims asserted against the defendants in the Securities Class Action with prejudice.

C. Settlement Efforts in the Derivative Litigation

The parties commenced discussions about a potential early resolution of this Litigation in the summer of 2019. Lead Counsel sent a settlement demand to counsel for the Defendants on August 16, 2019. Over the following five months, the parties negotiated in good faith the possibility of a settlement, including potential corporate reforms. On or about January 16, 2019, the parties reached an agreement in principle as to the substantive consideration for the settlement (i.e., the corporate governance reforms, described in Section V.2., *infra*).

After reaching agreement on the substantive consideration for the Settlement, the parties separately negotiated in good faith and on an informed basis the amount of attorneys' fees to be paid to Plaintiffs' Counsel in recognition of the substantial benefits the Defendants, as described in Section IV below, acknowledge the corporate governance reforms will provide to Rockwell as a result of Plaintiffs' Counsel's efforts. The Settling Parties then documented the Settlement in this Stipulation.

II. PLAINTIFFS' CLAIMS AND THE BENEFITS OF SETTLEMENT

Plaintiffs believe that the Litigation has substantial merit, and Plaintiffs' entry into this Stipulation is not intended to be and shall not be construed as an admission or concession concerning the relative strength or merit of the claims alleged in the Litigation. However, Plaintiffs and Plaintiffs' Counsel recognize and acknowledge the significant risk, expense, and length of continued proceedings necessary to prosecute the Litigation against the Defendants through trial and possible appeals. Plaintiffs' Counsel also have taken into account the uncertain outcome and the risk of any litigation, especially in complex cases such as the Litigation, as well as the difficulties and delays inherent in such litigation. Plaintiffs' Counsel are also mindful of the inherent problems of establishing standing in derivative litigation, and the possible defenses to the claims alleged in the Litigation.

Plaintiffs' Counsel states that they have conducted extensive investigation and analysis, including, *inter alia*: (i) reviewing Rockwell's press releases, public statements, U.S. Securities and Exchange Commission ("SEC") filings, and securities analysts' reports and advisories about the Company; (ii) reviewing related media reports about the Company; (iii) researching applicable law with respect to the claims alleged in the Litigation and potential defenses thereto; (iv) preparing and filing derivative complaint(s); (v) conducting extensive damages analyses; (vi)

researching Rockwell's existing and historical corporate governance practices and processes, corporate governance processes at Rockwell's peer companies, and industry-wide best practices; (vii) reviewing non-public documents produced by certain Defendants; (viii) preparing a detailed settlement demand that helped set the framework for settlement negotiations and ultimately the Settlement; (ix) evaluating the merits of the Securities Class Action and the potential liability of the defendants in the Securities Class Action, including the settlement of the Securities Class Action; and (x) negotiating this Settlement, including researching corporate governance best practices and negotiating the Reforms.

Based on its investigation and analysis, Plaintiffs' Counsel believe that the Settlement is fair, reasonable, and adequate, and confers a substantial benefit upon Rockwell. Based upon Plaintiffs' Counsel's investigation and analysis, Plaintiffs have determined that the Settlement is in the best interests of Rockwell and have agreed to settle the Litigation upon the terms and subject to the conditions set forth herein.

III. DEFENDANTS' DENIALS OF WRONGDOING AND LIABILITY

Defendants have denied and continue to deny that they violated the federal securities laws or any laws and maintain that their conduct was at all times proper and in compliance with all applicable law. Defendants have denied and continue to deny specifically each and all of the claims and contentions alleged in the Litigation, along with all charges of wrongdoing or liability against them arising out of any of the conduct, statements, acts, or omissions alleged, or that could have been alleged, in the Litigation. Defendants also have denied and continue to deny, *inter alia*, the allegations that any of the Defendants have committed, have attempted or conspired to commit, or have aided and abetted any violations of law or breaches of any duties owed to Rockwell, any of the Plaintiffs, or any other Rockwell shareholder, or otherwise have been unjustly enriched or

acted in any improper manner. In addition, the Defendants maintain that they have meritorious defenses to all claims alleged in the Litigation.

Defendants are entering into this Stipulation to eliminate the uncertainty, burden, and expense of further protracted litigation. As set forth in Paragraphs 7.3 and 9.3, this Stipulation shall in no event be construed as or deemed to be evidence of an admission or concession by Defendants or any of the Released Persons. Each of the Defendants denies any wrongdoing, and this Stipulation shall in no event be construed or deemed to be evidence of or an admission or concession on the part of any of the Defendants with respect to any claim or allegation of any fault or liability or wrongdoing or damage whatsoever, or any infirmity in the defenses that the Defendants have, or could have, asserted. Similarly, this Stipulation shall in no event be construed or deemed to be evidence of or an admission or concession on the part of any Plaintiff of any infirmity in any of the claims asserted in the Litigation, or an admission or concession that any of the Defendants' defenses to liability had any merit. Each of the Settling Parties recognizes and acknowledges, however, that the Litigation has been initiated, filed, and prosecuted by Plaintiffs in good faith and defended by Defendants in good faith and that the Litigation is being voluntarily settled with the advice of counsel. As described in Section IV below, Defendants also acknowledge that the Settlement confers substantial benefits on the Company and its stockholders.

IV. INDEPENDENT DIRECTOR APPROVAL

Rockwell, acting through its independent, non-defendant directors, reviewed the allegations and the Settlement terms, and in a good faith exercise of business judgment determined that (1) the terms of the Settlement and each of its terms, as set forth in this Stipulation, is in the best interests of Rockwell; and (2) the Settlement confers substantial benefits on the Company and its stockholders.

V. TERMS OF STIPULATION AND AGREEMENT OF SETTLEMENT

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED, BY AND AMONG THE PARTIES TO THIS STIPULATION, subject to the approval of the Court pursuant to Federal Rule of Civil Procedure 23.1, that all Released Claims (as defined in Paragraphs 1.10, 1.11, and 1.12, *infra*) shall be fully, finally, and forever compromised, settled, released, resolved, relinquished, waived, and discharged with prejudice and without costs (except as stated herein) upon the following terms and conditions:

1. DEFINITIONS

In addition to the terms defined above, the following additional terms shall have the meanings specified below:

1.1 "Board" means Rockwell's board of directors.

1.2 "Effective Date" means the date when the Judgment, substantially in the form attached hereto as Exhibit B, which approves in all material respects this Stipulation and the Settlement embodied herein, including the Releases provided for herein, and dismisses the Litigation with prejudice, becomes Final.

1.3 "Final," with respect to the Judgment or any other court order, means: (i) if no appeal is filed, the expiration date of the time provided for filing or noticing any appeal under the Federal Rules of Appellate Procedure, *i.e.*, thirty (30) days after entry of the Judgment or order; or (ii) if there is an appeal from the Judgment or order, (a) the date of final dismissal of all such appeals, or the final dismissal of any proceeding on certiorari or otherwise, or (b) the date the Judgment or order is finally affirmed on an appeal, the expiration of the time to file a petition for a writ of certiorari or other form of review, or the date of denial of a writ of certiorari or other form of review, and, if certiorari or other form of review is granted, the date of final affirmance

following review pursuant to that grant. However, 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 the Judgment from becoming Final.

1.4 "Judgment" means the judgment and order of dismissal with prejudice, substantially in the form attached hereto as Exhibit B, to be entered by the Court approving the Settlement.

1.5 "Notice" means the Notice of Pendency and Proposed Settlement of Derivative Action, substantially in the form attached hereto as Exhibit C.

1.6 "Person" means an individual, corporation, partnership, limited partnership, association, joint stock company, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, and any business or legal entity and his, her or its spouses, heirs, predecessors, successors, representatives, or assignees.

1.7 "Plaintiffs' Counsel" means Lead Counsel and Liaison Counsel.

1.8 "Preliminary Approval Order" means the order, substantially in the form attached hereto as Exhibit A, to be entered by the Court preliminarily approving the Settlement and directing that Notice of the Settlement be provided.

1.9 "Related Persons" means each and all of a Person's past, present, or future related parties, including their children, stepchildren, parents, stepparents, spouses (*i.e.*, a husband, a wife, or a partner in a state-recognized domestic relationship or civil union), siblings, mothers-in-law, fathers-in-law, sons-in-law, daughters-in-law, brothers-in-law, sisters-in-law, associates, affiliates, divisions, subsidiaries, officers, directors, stockholders, owners, members, representatives, employees, attorneys, auditors, financial or investment advisors, consultants, underwriters, investment banks or bankers, commercial bankers, insurers, reinsurers, excess

insurers, co-insurers, advisors, lobbyists, principals, agents, heirs, executors, trustees, estates, beneficiaries, distributees, foundations, general or limited partners or partnerships, joint ventures, personal or legal representatives, administrators, or any other person or entity acting or purporting to act for or on behalf of any Person, and each of their respective predecessors, successors, assignees, and assigns.

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

1.11 "Released Plaintiffs' Claims" means any and all claims (including Unknown Claims (as defined in Paragraph 1.16, *infra*)), 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 Persons), and/or any Rockwell shareholder derivatively on behalf of Rockwell against any Released Persons (as defined in Paragraph 1.13, *infra*), 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) 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.

1.12 "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, *infra*), 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 (as defined in Paragraph 1.13, *infra*)

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.

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

1.14 "Releases" means the releases set forth in Paragraph 3.1, *infra*.

1.15 "Settlement Hearing" means the hearing at which the Court will review the adequacy, fairness, and reasonableness of the Settlement, and determine whether to enter the Judgment.

1.16 "Unknown Claims" means any Released Claims which any Plaintiff, Rockwell (on behalf of itself and each of its Related Persons), or Rockwell shareholder does not know or suspect to exist in his, her or its favor, or in favor of Rockwell derivatively, and any Released Defendants' Claims which any Defendant or Released Person does not know or suspect to exist in his, her or its favor at the time of the release of such claims, which, if known by him, her or it, might have affected his, her or its decision(s) with respect to this Settlement. With respect to any and all Released Claims, the Settling Parties stipulate and agree that, upon the Effective Date of the Settlement, Plaintiffs, Rockwell (on behalf of itself and each of its Related Persons), and Defendants shall expressly waive, and Rockwell's shareholders and the Released Persons shall be deemed to have waived, and by operation of the Judgment, shall have expressly waived, any and all provisions, rights, and benefits conferred by any law of the United States or any state or territory of the United States, or principle of common law or foreign law, which is similar, comparable, or equivalent to California Civil Code §1542, which provides:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her

settlement with the debtor or released party.

Plaintiffs, Defendants, Rockwell, Rockwell's Related Persons, or any Rockwell shareholder may hereafter discover facts in addition to or different from those which he, she or it now knows or believes to be true with respect to the subject matter of the Released Claims, but each of Plaintiffs, Defendants, Rockwell (on behalf of itself and each of its Related Persons), and each of Rockwell's shareholders upon the Effective Date, shall be deemed to have, and by operation of the Judgment, shall have fully, finally and forever compromised, settled, released, resolved, relinquished, waived and discharged each and every Released Claim with prejudice. Plaintiffs and Defendants acknowledge, and by operation of law shall be deemed to have acknowledged, that the foregoing waiver was separately bargained for and was a key element of the Settlement.

2. TERMS OF SETTLEMENT

The Board agrees to implement within ninety (90) days of final settlement approval, and to maintain for a minimum period of four (4) years (the "Compliance Term"), the corporate governance reforms detailed below (the "Reforms"). Defendants acknowledge that the commencement, litigation, and settlement of the Litigation was the cause of the Board's decision to implement and maintain the Reforms, and that the Reforms confer substantial benefits on the Company and its stockholders.

A. Enhanced Board Independence

1. Separate Chairman/CEO: The Company shall formalize a requirement that, at all times, the positions of Chairman of the Board ("Chairman") and Chief Executive Officer ("CEO") will not be occupied by the same individual.

2. Director Term Limits: Rockwell shall amend its Corporate Governance Guidelines to include a term limit of ten (10) years for all directors; provided, however, that a director may serve for longer than ten years upon approval of then-current independent members of Rockwell's Board (with the interested director abstaining from such vote).

B. Stockholder Input

The Board's Bylaws shall be amended, as necessary, to include, and shall reflect throughout the Compliance Term, the following:

1. No later than the last day of the month in which stockholder proposals are due under Rule 14a-8, the Company shall distribute to the entire Board all proposals received by the Company. After the distribution to the Board, and before the making of any recommendation to the Board or any of its members concerning a response, approval or disapproval, Rockwell's legal counsel and senior management shall discuss with the Board Chairman and the chairperson ("Chair") of any Board committee responsible for oversight of the subject matter of the proposal, if applicable, the financial, legal, practical and social implications of approval and implementation of the proposal.

2. Where a stockholder proposal has been made, the Company shall timely contact the proponent of the proposal to arrange a teleconference or an in-person meeting to discuss the proposal and its financial, legal, social and practical implications. If the proponent agrees to a meeting or teleconference, the Board Chairman and/or Chair of any Board committee responsible for the oversight of the subject matter of the proposal shall attend.

3. Rockwell's legal counsel and senior management, with the authorization of the Board Chairman or the Chair of any Board committee responsible for oversight of the subject matter of the proposal, may prepare a response to the stockholder proposal and/or submit a no-

action request to the SEC pursuant to Section 14(a) of the Exchange Act, and SEC Rule 14a-8, promulgated thereunder.

4. Before the filing of a proxy statement that makes a recommendation concerning any stockholder proposal submitted in accordance with Rule 14a-8, a draft of the recommendation shall be reviewed and approved by the Board.

C. Enhancements to Disclosure Committee Duties and Responsibilities

The Charter of the Disclosure Committee shall be amended to provide as follows:

1. The Disclosure Committee shall record minutes of all meetings, and shall provide the Audit Committee with all meeting minutes and, at the request of the Audit Committee, all materials, exhibits and attachments reviewed in connection with the preparation and review of each of the Company's periodic reports filed under the Exchange Act on Forms 10-K and 10-Q, as well as proxy statements and quarterly earnings releases.

2. Before each periodic report on Form 10-K or Form 10-Q is filed, the Chair of the Disclosure Committee or his or her designee shall report to the Audit Committee regarding the Disclosure Committee's deliberations, activities, and disclosure recommendations on such filings.

3. The Disclosure Committee shall be responsible for evaluating the materiality of information and events relating to or affecting the Company, and determining the timing and appropriate method of disclosure of information deemed material.

4. At least on a quarterly basis, the Disclosure Committee Chair shall prepare and submit to the Audit Committee a report regarding any concerns about actual or potential disclosure issues.

5. The Company shall post the Disclosure Committee Charter on its website.

D. Enhancements to Audit Committee Duties and Responsibilities

1. The Audit Committee Charter shall be amended to provide that the Audit Committee will be responsible for overseeing the work of the Disclosure Committee. The Audit Committee shall meet at least quarterly with the Chair of the Disclosure Committee and discuss matters of potential significance to Rockwell's compliance with securities laws, the adequacy of the Company's internal controls over financial reporting, and the Company's published earnings guidance (if any).

2. The Audit Committee Charter and other Company policies shall be amended as necessary to provide mechanisms for periodic and ad hoc reporting to the Audit Committee and the Disclosure Committee by the operational units in which matters arise that are material to the Company's financial reporting and related disclosures.

3. Committee policies shall be amended as necessary to reflect that all Company employees are expected to cooperate with Audit Committee investigations, and that any failure to cooperate may be grounds for discipline by the Board, including, but not limited to, termination, in the sole discretion of the Board.

E. Whistleblower Program and Policy

1. The Board shall require the Company to maintain a formal written policy protecting whistleblowers who, in good faith, report actual or suspected violations of laws or Company policies (the "Whistleblower Policy")

2. The Company's Whistleblower Policy shall, inter alia, address the following points:

(a) Encourage individuals to report known ethical and legal violations, and/or their reasonable beliefs that ethical and legal violations have occurred (with such reports to be made, as

appropriate, to the employee's supervisor, the Audit Committee, or a third-party operated "Whistleblower Hotline") so that action may be taken to resolve the problem. Complaints submitted through the Whistleblower Hotline shall be reviewed by the Audit Committee, in consultation with and under the supervision of legal counsel, and presented to the full Board as appropriate;

(b) State that Rockwell is serious about adherence to its corporate governance policies and that whistleblowing is an important tool in achieving this goal, including by making clear that it is both illegal and against Rockwell's policy to discharge, demote, suspend, threaten, intimidate, harass or in any manner discriminate against whistleblowers, and that executives may be subject to penalties, including termination, for retaliation against whistleblowers;

(c) Make clear that whistleblower complaints may be directed to the Audit Committee in addition to the Whistleblower Hotline, and that complaints will be handled by these parties anonymously and in confidence;

(d) Make clear that if a whistleblower brings his or her complaint to an outside regulator or other governmental entity, he or she will be protected by the terms of the Whistleblower Policy just as if he or she directed the complaint to the Audit Committee, the employee's supervisor, and/or the Whistleblower Hotline; and

(e) Make clear that if an employee is subject to an adverse employment decision as a result of whistleblowing, the employee may assert a claim for impermissible retaliation under applicable laws and regulations. The Company shall provide a written communication at least annually reminding employees of whistleblower options and whistleblower protections set forth in the Company's policies, as well as posting such policies on the Company's intranet (or through similar means of providing notice to employees).

3. The Audit Committee shall receive at least quarterly: (i) a report on hotline usage trends; and (ii) a report on statistics regarding the results of whistleblower complaints (i.e., the percentage that led to investigation, the percentage referred to Human Resources, etc.).

4. A log of whistleblower complaints, as well as the results of all investigations of complaints, shall be memorialized in writing and maintained for a period of not less than one year.

5. The Company's General Counsel (if any) shall have access to the log at any time and shall oversee (together with the Audit Committee) any internal investigations into complaints relating to ethics and/or compliance.

6. The Audit Committee shall have access to the log at any time, and shall receive timely reports from the Company's General Counsel (if any) regarding any complaints raising material ethics and/or compliance risks, including updates regarding any investigations into such complaints.

7. To the extent applicable, at each regularly scheduled Board meeting, the Board shall be provided with a summary of the types of complaints received, as well as any material information resulting from any internal investigation into such complaints.

8. The Whistleblower Policy shall at all times be publicly available on the Company's website.

F. Enhanced Nominating and Corporate Governance Committee Responsibilities

1. The Governance Committee Charter shall be amended to reflect that the Governance Committee is responsible for evaluating all stockholder proposals submitted in accordance with Rule 14a-8 and making recommendations to the Board regarding such proposals.

2. The Governance Committee Charter shall be amended to include the responsibility for evaluating disciplinary recommendations for executive officers and directors, and, together with the Company's independent directors (excepting any independent director who may be the subject of disciplinary review), making final determinations regarding such discipline.

3. At least once annually, the Governance Committee shall conduct a formal evaluation of Rockwell's director nomination processes, compare these processes with best practices, and develop recommendations to the Board regarding any actions to take based on its evaluation, including the implementation of new processes and procedures as necessary.

4. In accordance with its duties to develop principles of corporate governance and recommend such principles to the Board, the Governance Committee shall ensure that any agreed upon corporate governance principles or guidelines are available to the public through the Company's website.

5. Rockwell shall post the amended Governance Committee Charter on its website.

G. Enhanced Compensation Committee Responsibilities

1. To the extent that the Company is not already required to do so, the Company shall make additional disclosures in its definitive annual meeting proxy statements beginning with its 2020 definitive proxy statement. These additional disclosures shall provide an overview of the Company's compensation philosophy and compensation-setting process for directors and officers, including (at a minimum): (a) a description of the involvement of any independent compensation consultant in the compensation-setting process; (b) the peer group used in setting compensation for directors and officers in a given year; and (c) a description of the use

of benchmarking data in setting executive compensation, and any peer group benchmarking analysis employed in setting such compensation.

2. The Board shall annually review and approve the compensation payable to directors and executive officers, including any recommendation by the Compensation Committee as to changes in the compensation payable to directors and/or executive officers.

3. In determining, setting, or approving annual short-term compensation arrangements, the Compensation Committee shall take into account the particular executive's performance as it relates to both legal compliance and compliance with the Company's internal policies and procedures.

4. In determining, setting, or approving termination benefits and/or separation pay to executive officers, the Compensation Committee shall take into consideration the circumstances surrounding the particular executive officer's departure and the executive's performance as it relates to both legal compliance and compliance with the Company's internal policies and procedures.

5. Rockwell shall post the amended Compensation Committee Charter on its website.

3. SCOPE OF SETTLEMENT AND RELEASES

3.1 Releases.

(a) Plaintiffs' Release. Pursuant to the 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 the 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. This release is a material term to this Stipulation. It is an important element to the Defendants' participation in this Settlement that the Defendants and the Released Persons obtain the fullest possible release from any liability to any Plaintiff, Rockwell, any of Rockwell's Related Persons, or any Rockwell shareholder relating to Plaintiffs' Released Claims, and it is the intention of the Settling Parties that any liability of the Defendants or the Released Persons relating to the Plaintiffs' Released Claims be eliminated.

(b) Defendants' Release. Pursuant to the 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 the 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.

(c) Notwithstanding Paragraphs 3.1(a) and 3.1(b) above, nothing in the Judgment shall bar any action by any of the Settling Parties to enforce or effectuate the terms of this Stipulation or the Judgment.

4. ATTORNEYS' FEES AND EXPENSES

4.1 Plaintiffs and Rockwell negotiated in good faith and on an informed basis as to what would be a reasonable award of attorneys' fees and expenses and reasonable incentive awards for Plaintiffs in recognition of the benefits conferred upon Rockwell as a direct result of

the commencement, litigation, and settlement of the Litigation. Plaintiffs and Rockwell agreed that the Individual Defendants shall cause their insurers to pay Plaintiffs' Counsel the agreed-to amount of \$450,000 (the "Fee and Expense Amount"). Plaintiffs and Rockwell further agree that under no circumstances shall Defendants be responsible for paying more than the agreed-upon Fee and Expense Amount to Plaintiffs or their counsel.

4.2 The Fee and Expense Amount approved by the Court shall be paid by the Individual Defendants' insurers to Plaintiffs' Counsel within fifteen (15) business days after (1) the entry of an order finally approving the terms of the Settlement; (2) the entry of an order approving Plaintiffs' motion for attorneys' fees and costs; and (3) the provision by Plaintiffs of all information required to execute the payment. The funds shall be deposited notwithstanding timely objections to, potential for appeal from, or collateral attack on, the settlement or award of fees and expenses.

4.3 The Settling Parties further stipulate that Plaintiffs' Counsel may apply to the Court for a service award of up to \$2,500 for each of the Plaintiffs, only to be paid upon Court approval and to be paid from Plaintiffs' Counsel's Fee and Expense Amount, in recognition of Plaintiffs' participation and effort in the prosecution of the Litigation. The failure of the Court to approve any requested service award, in whole or in part, shall have no effect on the Settlement. Neither Rockwell nor any of the Individual Defendants shall be liable for any portion of any service award.

4.4 In the event that the Judgment or the order awarding such fees and expenses paid to Plaintiffs or their counsel is reversed or modified, or if the settlement is cancelled or terminated for any reason, then Plaintiffs' Counsel shall, in an amount consistent with such reversal or modification, refund such fees and expenses to Defendants (or their insurance carrier(s)), plus any interest earned thereon, within fifteen (15) business days from receiving notice of that ruling

from Defendants' counsel or from a court of competent jurisdiction. Any refunds required pursuant to this paragraph shall be the joint and several obligation of each Plaintiffs' Counsel. Each Plaintiffs' Counsel, as a condition of receiving such fees or expenses on behalf of itself and each partner and/or shareholder of it, agrees that its law firm and its partners and/or stockholders are subject to the jurisdiction of the Court for the purpose of enforcing the provisions of this paragraph.

4.5 The Fee and Expense Amount shall be the sole aggregate compensation for Plaintiffs' Counsel and for Plaintiffs in connection with the Litigation and the Settlement. Robbins LLP shall have sole responsibility for division and distribution of the Fee and Expense Amount to any and all Plaintiffs and Plaintiffs' Counsel. No Plaintiff nor his, her or its counsel, shall seek—and all Plaintiffs and Plaintiffs' Counsel hereby agree not to seek—any fee in a separate proceeding relating to the matters at issue in this Litigation. Defendants shall have no responsibility for, and no liability whatsoever with respect to, any fee allocation among Plaintiffs' Counsel or incentive award allocation among Plaintiffs.

4.6 Final resolution of Plaintiffs' Counsel's request for fees and expenses and Plaintiffs' request for incentive awards shall not be a precondition to the dismissal, with prejudice, of the Litigation. Moreover, any application or litigation concerning the Plaintiffs' Counsel's request for fees and expenses or Plaintiffs' request for incentive awards may be considered and resolved separately from the Settlement. Except as expressly provided herein, the Settling Parties shall bear their own fees, costs and expenses, and no Party shall assert any claim for expenses, costs or fees against any other Party.

5. PRELIMINARY APPROVAL ORDER AND SETTLEMENT HEARING

5.1 Upon the execution of this Stipulation, Plaintiffs shall promptly submit this Stipulation together with its Exhibits to the Court, and shall apply to the Court for entry of an order, substantially in the form of the proposed Preliminary Approval Order, submitted herewith

as Exhibit A, which shall include, *inter alia*, the preliminary approval of the Settlement set forth in the Stipulation, approval of the Settling Parties' proposed Notice plan, and the date and time of the Settlement Hearing.

5.2 The proposed Preliminary Approval Order, submitted herewith as Exhibit A, reflects the Settling Parties' agreed-upon Notice plan, which requires notice to Rockwell's stockholders in the following manner: (i) filing of the Notice and Stipulation with the SEC in a Form 8-K or other appropriate filing; (ii) publishing of the summary form of the Notice once in Investor's Business Daily; and (iii) including the Notice on an Internet page that Rockwell shall create for this purpose, which shall be accessible via a link on the "Investors" page of the Company's website, the address of which shall be contained in the Notice and Summary Notice. Rockwell shall have sole discretion for selecting the method of dissemination pursuant to subsection (i) of this paragraph.

5.3 The Company shall undertake the administrative responsibility for giving Notice to Rockwell shareholders, and the Company and/or its insurance carrier(s) shall be solely responsible for paying the costs associated with this Notice program or any other form and manner of Notice required by the Court.

5.4 Counsel for Rockwell, at least seven (7) business days before the Settlement Hearing, shall file with the Court an appropriate proof of Notice and compliance with the other Notice procedures set forth in the Preliminary Approval Order, or, if Notice and compliance with the Notice procedures set forth in the Preliminary Approval Order have not been completed for reasons outside Rockwell's control, including but not limited to complications arising from the COVID-19 pandemic, resulting government orders, and limits on notice- and service-providers on which Rockwell would otherwise rely to effect service, Rockwell shall apprise the Court and, if

necessary to ensure that Notice is sufficient, request that the Settlement Hearing be continued and rescheduled for a date certain that is mutually agreeable for the Settling Parties and the Court.

6. STANDSTILL AGREEMENT AND STAY OF PROCEEDINGS

6.1 Except as provided herein, pending the final determination of whether the Settlement should be approved by the Court, all Settling Parties agree not to institute, commence, prosecute, continue, or in any way participate in, whether directly, representatively, individually, derivatively on behalf of Rockwell, or in any other capacity, any action or other proceeding asserting any Released Claims.

7. EFFECTIVE DATE OF SETTLEMENT, TERMINATION AND VOIDABILITY

7.1 The Settlement shall become effective on the Effective Date.

7.2 In the event that the Settlement is not approved by the Court, or vacated or modified on appeal, or if the Judgment is not entered by the Court or 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 this Stipulation and withdraw from the Settlement by providing written notice of such action to undersigned counsel for all of the other Settling Parties within thirty (30) calendar days after the failure of such condition, in which case this Stipulation shall be voided.

7.3 In the event that the Settlement is terminated pursuant to Paragraph 7.2 herein, 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 hereto, 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 this 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 this 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 pursuant to Paragraph 7.2 herein, 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 this Stipulation, and, except as otherwise expressly provided, the Settling Parties shall proceed in all respects as if this Stipulation and any related orders had not been executed and/or entered.

7.4 In the event this Stipulation is terminated pursuant to Paragraph 7.2, Paragraphs 4.4, 7.3 and 9.3 shall survive.

8. BANKRUPTCY

8.1 In the event that any proceedings by or on behalf of Rockwell, whether voluntary or involuntary, are initiated under any chapter of the United States Bankruptcy Code ("Bankruptcy Proceedings"), Plaintiffs may seek orders, consents, releases, and approvals for the effectuation of the Stipulation and Court approval of the Settlement in a timely and expeditious manner, and they may seek orders from the court presiding over any Bankruptcy Proceeding in support of the Settlement and payment of the Fee and Expense Amount or any incentive award for the Plaintiffs. Defendants will file no opposition to any motion or request for relief to effectuate

the terms of the Stipulation, including to any motion or request by Plaintiffs for payment of the Fee and Expense Amount or any incentive award for the Plaintiffs.

9. MISCELLANEOUS PROVISIONS

9.1 Cooperation of the Parties. The Settling Parties acknowledge that it is their intent to consummate the Settlement, and agree to cooperate to the extent reasonably necessary to effectuate and implement all terms and conditions of this Stipulation and to exercise their reasonable efforts to accomplish the foregoing terms and conditions of this Stipulation.

9.2 Acknowledgement of Adequate Consideration. The Settling Parties acknowledge, represent, and warrant to each other that the terms of the Settlement are such that each of the Settling Parties is to receive adequate consideration in exchange for the consideration given.

9.3 No Admissions. Neither this Stipulation (whether or not consummated), including the exhibits hereto; the Settlement; the acts performed or negotiations, discussions and drafts leading to the execution of this Stipulation or the Settlement; nor any proceedings pursuant to or in connection with this 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 this 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 this 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 if this Stipulation is approved by the Court, the Released Persons, Plaintiffs, or Rockwell and their respective counsel may refer to it to effectuate the protections from liability granted hereunder or otherwise to enforce the terms of the Settlement.

9.4 Claim and Issue Preclusion. Notwithstanding the foregoing Paragraph 9.3, on or after the Effective Date, any of the Defendants may file this Stipulation or the Judgment or any order of the Court related thereto in any action that may be brought against them in order to support a defense or counterclaim based on principles of res judicata, collateral estoppel, release, good faith settlement, judgment bar, or reduction, or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim.

9.5 Costs. Except as otherwise expressly provided herein, the Settling Parties shall bear their own costs.

9.6 Modifications. This Stipulation may be modified or amended only by a writing signed by all of the signatories hereto.

9.7 Forum. Rockwell consents to this Court as the forum for the limited purpose of seeking approval of this Settlement but reserves its right to enforce its forum-selection bylaw for all other purposes and in the event that the Settlement is not consummated or not approved in accordance with the terms proposed by the Settling Parties.

9.8 Binding Effect. This Stipulation shall be binding upon, and inure to the benefit of, all Settling Parties, their successors and assigns. This Stipulation is not intended, and shall not be construed, to create rights in or confer benefits on any other Persons, and there shall not be any third-party beneficiaries hereto, except as expressly provided hereby with respect to such aforementioned Persons who are not parties hereto.

9.9 Entire Agreement. This Stipulation and the exhibits attached hereto constitute the entire agreement among the Settling Parties with respect to the Settlement of the Litigation and supersede any and all prior negotiations, discussions, agreements, or undertakings, whether oral or written, with respect to the resolution of the Litigation. This Settlement is not conditioned upon the settlement or approval of settlement of any other suits.

9.10 Warranty of Authority. Each counsel or person executing this Stipulation or any of the related documents on behalf of any Party hereto hereby warrants that such Person has the full authority to do so. The Settling Parties have caused this Stipulation to be duly executed and delivered by their counsel of record.

9.11 Waiver of Breach. The Settling Parties may not waive or vary any right hereunder except by an express written waiver or variation signed by them. Any failure to exercise or any delay in exercising any of such rights, or any partial or defective exercise of any such rights,

shall not operate as a waiver or variation of that or any other such right. The waiver by one Party of any breach of this Stipulation by another Party shall not be deemed a waiver of any prior or subsequent breach of this Stipulation.

9.12 Fair Construction. This Stipulation shall not be construed more strictly against one Party than another merely by virtue of the fact that it, or any part of it, may have been prepared by counsel for one of the Settling Parties. This Stipulation is the result of arm's-length negotiations among the Settling Parties, and all Settling Parties have contributed substantially and materially to the preparation of this Stipulation.

9.13 No Assignment of Claims. Plaintiffs hereby represent and warrant that they have not assigned any of Plaintiffs' Released Claims or any rights, claims, or causes of action that were asserted or could have been asserted in connection with, under or arising out of any of Plaintiffs' Released Claims.

9.14 Counterparts. This Stipulation may be executed in counterparts by any of the signatories hereto, and may be delivered in facsimile or .pdf form, and as so executed and delivered shall constitute one agreement.

9.15 Facsimile and Scanned Signatures. Any signature to this Stipulation, to the extent signed and delivered by means of a facsimile machine or electronically scanned and sent via e-mail (*e.g.*, .pdf file), shall be treated in all manner and respects as an original signature and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of a Party to this Stipulation, any other Party to this Stipulation so executing and delivering this document by means of a facsimile machine or via e-mail shall re-execute original forms thereof and deliver them to the requesting Party. No Party to this Stipulation shall raise the use of a facsimile machine or e-mail to deliver a signature or the fact

that any signature or agreement was transmitted or communicated through the use of a facsimile machine or e-mail as a defense to the formation or the enforceability of this Stipulation and each such Party forever waives any such defense.

9.16 Extensions of Time. Without further order of the Court, the Settling Parties hereto may agree, in writing, to reasonable extensions of time to carry out any of the provisions of this Stipulation, and will cooperate with one another, for good cause, in seeking any reasonable extension of a Court-imposed deadline when necessary.

9.17 Exhibits. The following exhibits are attached hereto and incorporated herein by reference:

- (i) Exhibit A: [Proposed] Preliminary Approval Order;
- (ii) Exhibit B: [Proposed] Final Judgment;
- (iii) Exhibit C: Notice; and
- (iv) Exhibit D: Summary Notice.

9.18 Notices. All notices, requests, demands, and other communications hereunder shall be in writing and shall be deemed duly given (i) when delivered personally to the recipient, (ii) one (1) business day after being sent to the recipient by UPS overnight (charges prepaid), or (iii) five (5) business days after being mailed to the recipient by certified or registered mail, return receipt requested and postage prepaid, and addressed to the intended recipient as set forth below:

If to Plaintiffs or Plaintiffs' Counsel:

Shane P. Sanders
Robbins LLP
5040 Shoreham Place
San Diego, CA 92122

If to Defendants or Defendants' Counsel:

Brian M. Lutz
Gibson, Dunn & Crutcher LLP
200 Park Avenue, 47th Floor
New York, NY 10166

-and-

Daniel Roeser
Goodwin Procter LLP
The New York Times Building
620 Eighth Avenue
New York, NY 10018

9.19 Jurisdiction. The Court shall retain jurisdiction with respect to implementation and enforcement of the terms of the Stipulation and the Court's 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 Judgment, and for matters or disputes arising out of or relating to the Settlement.

IT IS HEREBY AGREED by the undersigned as dated below.

Dated: May 18, 2020

ROBBINS LLP



SHANE P. SANDERS
BRIAN J. ROBBINS
CRAIG W. SMITH
5040 Shoreham Place
San Diego, CA 92122
Telephone: (619) 525-3990
Facsimile: (619) 525-3991
brobbins@robbinsllp.com
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Lead Counsel for Plaintiffs

LAW OFFICES OF THOMAS G. AMON
THOMAS G. AMON
733 3rd Avenue, 15th Floor
New York, NY 10017
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tamon@amonlaw.com

Liaison Counsel for Plaintiffs

Dated: May 18, 2020

GIBSON, DUNN & CRUTCHER LLP



BRIAN M. LUTZ
JONATHAN D. FORTNEY
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New York, NY 10166
Telephone: (212) 351-4000
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jfortney@gibsondunn.com

Counsel for Nominal Defendant Rockwell Medical, Inc. and Defendants Benjamin Wolin, Robin L. Smith, Mark H. Ravich, John G. Cooper, Lisa N. Colleran, Patrick J. Bagley, and Ronald D. Boyd

Dated: May 18, 2020

GOODWIN PROCTER LLP



BRIAN E. PASTUSZENSKI
DANIEL ROESER
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Counsel for Defendants Robert L. Chioini and Thomas E. Klema

EXHIBIT A

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 Case No. 1:19-cv-
02774-ARR-RER)

This Document Relates To:

Honorable Allyne R. Ross

ALL ACTIONS.

**[PROPOSED] PRELIMINARY
APPROVAL ORDER**

WHEREAS, the Settling Parties having made application, pursuant to Federal Rule of Civil Procedure 23.1(c), for an order preliminarily approving the Settlement of the Litigation, in accordance with 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; and the Court having read and considered the Stipulation and the Exhibits annexed to it,

NOW, THEREFORE, IT IS ORDERED this ____ day of _____, 2020, that:

1. Except for any terms defined in this order (the "Order"), the Court adopts and incorporates the definitions in the Stipulation for the purposes of this Order.

2. The Settlement Hearing shall be held on _____, 2020 (a date that is at least sixty (60) calendar days from the date of this Order) at _____.m, in the United States Federal District Court of the Eastern District of New York,

_____, to:

- a) determine whether the Settlement should be approved by the Court as adequate, fair, and reasonable;
- b) determine whether Judgment should be entered pursuant to the Stipulation
- c) consider Plaintiffs' Counsel's attorneys' fees and expenses and incentive awards for Plaintiffs; and
- d) rule on such other matters as the Court may deem appropriate.

3. The Court reserves the right to adjourn the Settlement Hearing or any subsequently scheduled hearing, including the consideration of Plaintiffs' Counsel's attorneys' fees and expenses, without further notice of any kind other than oral announcement at the Settlement Hearing or any subsequently scheduled hearing, and the Court retains jurisdiction with respect to implementation and enforcement of the terms of the Stipulation and the Judgment to be entered in the Litigation and to consider any matters or disputes arising out of or relating to the Settlement.

4. The Court reserves the right to approve the Settlement at or after the Settlement Hearing with such modification(s) to the Stipulation as may be consented to by the Settling Parties and without further notice to Rockwell's current shareholders.

5. Within fifteen (15) business days after the date of this Order, Rockwell shall make a good faith effort to provide notice to Rockwell's stockholders in the following manner: (i) filing of the Notice and Stipulation with the SEC in a Form 8-K or other appropriate filing; (ii) publishing of the summary form of the Notice once in Investor's Business Daily; and (iii) including the Notice on an Internet page that Rockwell shall create for this purpose, which shall be accessible via a link on the "Investors" page of the Company's website, the address of which shall be contained in the Notice and Summary Notice. Rockwell shall have sole discretion

for selecting the method of dissemination pursuant to subsection (i) of this paragraph. If any form of Notice referenced above cannot be effected within fifteen (15) business days after the date of this Order, including for example publication in Investor's Business Daily, then Rockwell shall complete notice as soon thereafter as practicable.

6. The form and method of notice herein is 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. Counsel for Rockwell, at least seven (7) business days before the Settlement Hearing, shall file with the Court an appropriate proof of Notice and compliance with the other Notice procedures set forth in this Order, or, if Notice and compliance with the Notice procedures set forth in this Order have not been completed for reasons outside Rockwell's control, including but not limited to complications arising from the COVID-19 pandemic, resulting government orders, and limits on notice- and service-providers on which Rockwell would otherwise rely to effect service, Rockwell shall apprise the Court and, if necessary to ensure that Notice is sufficient, request that the Settlement Hearing be continued and rescheduled for a date certain that is mutually agreeable for the Settling Parties and the Court.

7. All proceedings in the Litigation, other than such proceedings as may be necessary to carry out the terms and conditions of the Settlement, are hereby stayed and suspended until further order of this Court. Except as provided in the Stipulation, pending the final determination of whether the Settlement should be approved by the Court, none of the Settling Parties shall institute, commence, prosecute, continue, or in any way participate in,

whether directly, representatively, individually, derivatively on behalf of Rockwell, or in any other capacity, any action or other proceeding asserting any Released Claims.

8. Any person who objects to the Settlement, the Judgment to be entered in the Litigation, and/or Plaintiffs' Counsel's attorneys' fees and expenses or incentive awards for Plaintiffs, or who otherwise wishes to be heard, may appear in person or by counsel at the Settlement Hearing and request leave of the Court to present evidence or argument that may be proper and relevant; provided, however, that, except by order of the Court for good cause shown, no person shall be heard and no papers, briefs, pleadings or other documents submitted by any person shall be considered by the Court unless not later than fourteen (14) calendar days prior to the Settlement Hearing such person files with the Court and serves upon counsel listed below: (a) a written notice of intention to appear; (b) proof of current ownership of Rockwell stock, as well as documentary evidence of when such stock ownership was acquired; (c) a statement of such person's objections to any matters before the Court, including the Settlement, the proposed Judgment, or Plaintiffs' Counsel's attorneys' fees and expenses and/or the incentive awards for Plaintiffs; (d) the grounds for such objections and the reasons that such person desires to appear and be heard, as well as all documents or writings such person desires the Court to consider; (e) a description of any case, providing the name, court, and docket number, in which such person or his or her attorney, if any, has objected to a settlement in the last three years; and (f) a proof of service signed under penalty of perjury. Such filings shall be served electronically via the Court's ECF filing system, by hand, or by overnight mail upon the following counsel:

Plaintiffs' Counsel:
Shane P. Sanders
Robbins LLP
5040 Shoreham Place
San Diego, CA 92122

Defendants' Counsel:

Brian M. Lutz
Gibson, Dunn & Crutcher LLP
200 Park Avenue, 47th Floor
New York, NY 10166

-and-

Daniel Roeser
Goodwin Procter LLP
The New York Times Building
620 Eighth Avenue
New York, NY 10018

9. Unless the Court otherwise directs, no person shall be entitled to object to the approval of the Settlement, any judgment entered thereon, any award of attorneys' fees and expenses or incentive awards for Plaintiffs, or otherwise be heard, except by serving and filing a written objection and supporting papers and documents as prescribed above. Any person who fails to object in the manner described above shall be deemed to have waived the right to object (including any right of appeal) and shall be forever barred from raising such objection in this or any other action or proceeding. If the Court approves the Settlement provided for in the Stipulation following the Settlement Hearing, Judgment shall be entered substantially in the form attached as Exhibit B to the Stipulation.

10. Plaintiffs shall file and serve their opening brief and papers in support of final approval of the Settlement and their attorneys' fees and expenses and incentive awards for Plaintiffs no later than twenty-eight (28) calendar days before the Settlement Hearing. Any Party's objection to Plaintiffs' Counsel's motion for final approval of the Settlement and Plaintiffs' Counsel's attorneys' fees and expenses and incentive awards for Plaintiffs shall be filed and served no later than fourteen (14) calendar days before the Settlement Hearing. Any briefs in response to any objection(s) to either the Settlement or Plaintiff's Counsel's attorneys' fees and

expenses and incentive awards for Plaintiffs shall be filed and served no later than seven (7) calendar days before the Settlement Hearing.

11. In the event that the Settlement is vacated or modified on appeal, or if the Judgment is not entered by the Court or 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.

12. 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 if the Stipulation is approved by the Court, the Released Persons, Plaintiffs, or Rockwell and their respective counsel may refer to it to effectuate the protections from liability granted pursuant to the Stipulation and the Judgment to be entered in the Litigation or otherwise to enforce the terms of the Settlement.

IT IS SO ORDERED.

EXHIBIT B

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 Case No. 1:19-cv-
02774-ARR-RER)

This Document Relates To:

Honorable Allyne R. Ross

ALL ACTIONS.

[PROPOSED] FINAL JUDGMENT

A hearing having been held before this Court (the "Court") on _____, 2020 (the "Settlement Hearing"), pursuant to this Court's Order dated _____, 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 __ DAY OF

_____ 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.

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

IN RE ROCKWELL MEDICAL, INC.
STOCKHOLDER DERIVATIVE
LITIGATION

This Document Relates To:

ALL ACTIONS.

Lead Case No. 1:19-cv-02373-ARR-
RER

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

Honorable Allyne R. Ross

**NOTICE OF PENDENCY AND
PROPOSED SETTLEMENT
OF DERIVATIVE ACTION**

EXHIBIT C

TO: ALL PERSONS OR ENTITIES WHO CURRENTLY HOLD SHARES OF STOCK OF ROCKWELL MEDICAL, INC. ("ROCKWELL" OR THE "COMPANY"), EITHER OF RECORD OR BENEFICIALLY, EXCLUDING DEFENDANTS AND ANY PERSON, FIRM, TRUST, CORPORATION OR OTHER ENTITY RELATED TO, OR AFFILIATED WITH, ANY OF THE DEFENDANTS

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS WILL BE AFFECTED BY THE LEGAL PROCEEDINGS IN THIS LITIGATION. THIS NOTICE RELATES TO A PROPOSED SETTLEMENT OF THE LITIGATION REFERRED TO IN THE CAPTION, AND IT CONTAINS IMPORTANT INFORMATION REGARDING YOUR RIGHTS. IF THE COURT APPROVES THE PROPOSED SETTLEMENT, YOU WILL BE FOREVER BARRED FROM CONTESTING THE FAIRNESS, REASONABLENESS, AND ADEQUACY OF THE PROPOSED SETTLEMENT.

IF YOU HOLD THE STOCK OF ROCKWELL FOR THE BENEFIT OF ANOTHER, PLEASE PROMPTLY TRANSMIT THIS DOCUMENT TO SUCH BENEFICIAL OWNER.

PLEASE NOTE THAT THERE IS NO CLAIMS PROCESS AND NO INDIVIDUAL STOCKHOLDER HAS THE RIGHT TO BE COMPENSATED AS A RESULT OF THE SETTLEMENT DESCRIBED BELOW.

A federal court authorized this Notice. This is not a solicitation from a lawyer.

I. PURPOSE OF THIS NOTICE

This Notice has been sent to you pursuant to Rule 23.1 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the Eastern District of New York (the "Court"). The purpose of this Notice of Pendency and Proposed Settlement of Derivative Action ("Notice") is to inform you of consolidated derivative actions pending in the Eastern District of New York, captioned *In re Rockwell Medical, Inc. Stockholder Derivative Litigation*, Lead Case No. 1-19-cv-02373-ARR-RER (the "Litigation"); the proposed settlement of the Litigation (the "Settlement"), memorialized in a stipulation of settlement, dated May 18, 2020 (the "Stipulation"); and the hearing to be held by the Court to review the adequacy, fairness, and reasonableness of the Settlement, and determine whether to enter the Judgment. The Settlement resolves claims putatively brought derivatively on behalf of the Company against nominal

defendant Rockwell and certain current and former directors and former officers (together, the "Individual Defendants" and collectively, with the Company, the "Defendants"). Plaintiffs Bill Le Clair and John Post are collectively referred to herein as "Plaintiffs." Together, Plaintiffs and Defendants are collectively referred to herein as the "Settling Parties" or, individually, as a "Party." This Notice describes the rights you may have in connection with the Settlement and what steps you may take in relation to the Settlement. All capitalized terms that are not defined herein shall have the meanings ascribed to them in the Stipulation.

If you are a holder of Rockwell stock, you have a right to participate in a hearing to be held on _____, 2020, at __: __.m., before the Court at _____ (the "Settlement Hearing") to (a) determine whether the Settlement should be approved by the Court as adequate, fair, and reasonable; (b) determine whether Judgment should be entered pursuant to the Stipulation; (c) consider Plaintiffs' Counsel's attorneys' fees and expenses and incentive awards for Plaintiffs; and (d) rule on such other matters as the Court may deem appropriate.

If the Court approves the Settlement, the parties will ask the Court at the Settlement Hearing to enter Judgment dismissing the Litigation with prejudice in accordance with the terms of the Stipulation, which will cause the release of the claims asserted in the Litigation. The Court has the right to adjourn the Settlement Hearing or any subsequently scheduled hearing, including the consideration of Plaintiffs' Counsel's attorneys' fees and expenses, without further notice of any kind other than oral announcement at the Settlement Hearing or any subsequently scheduled hearing. The Court also has the right to approve the Settlement at or after the Settlement Hearing with such modifications to the Stipulation as may be consented to by the Settling Parties and without further Notice to Rockwell's current shareholders.

THE FOLLOWING RECITATION DOES NOT CONSTITUTE FINDINGS OF THE COURT. IT IS BASED ON STATEMENTS OF THE PARTIES AND SHOULD NOT BE UNDERSTOOD AS AN EXPRESSION OF ANY OPINION OF THE COURT AS TO THE MERITS OF ANY OF THE CLAIMS OR DEFENSES RAISED BY ANY OF THE PARTIES. THIS NOTICE IS SENT FOR THE SOLE PURPOSE OF INFORMING YOU OF THE EXISTENCE OF THIS ACTION AND OF A HEARING ON A PROPOSED SETTLEMENT SO THAT YOU MAY MAKE APPROPRIATE DECISIONS AS TO STEPS YOU MAY WISH TO TAKE IN RELATION TO THIS LITIGATION.

II. FACTUAL AND PROCEDURAL BACKGROUND

A. Proceedings in this Derivative Action

Plaintiff Le Clair filed a Verified Stockholder Derivative Complaint on April 23, 2019 in Case No. 1:19-cv-02373, and Plaintiff Post filed a Verified Stockholder Derivative Complaint on May 10, 2019 in Case No. 1:19-cv-02774.

On June 14, 2019, the Court entered an order (the "June 14 Order") which, in part, (i) consolidated Case No. 1:19-cv-02373 and Case No. 1:19-cv-02774 for all purposes, including pre-trial proceedings and trial; (ii) designated Robbins LLP as lead counsel for Plaintiffs in the Litigation ("Lead Counsel"); and (iii) designated the Law Offices of Thomas G. Amon as liaison counsel for Plaintiffs in the Litigation ("Liaison Counsel").

Plaintiffs filed their Verified Consolidated Stockholder Derivative Complaint (the "Consolidated Complaint") on October 28, 2019. Plaintiffs allege that they made demands on Rockwell's Board to investigate and take action against the Defendants, and allege in the Consolidated Complaint that the Board wrongfully ignored – and therefore effectively refused – Plaintiffs' demands. The Consolidated Complaint alleges, *inter alia*, that the Individual Defendants breached their duty of loyalty to the Company because they knew or were reckless in not knowing that: (i) the Centers for Medicare & Medicaid Services had already denied Rockwell's proposal for separate reimbursement of its drug Triferic by no later than March 27, 2018, of which Rockwell was well aware; (ii) Rockwell's estimated reserve figures were

understated; (iii) the denial of separate reimbursement of Triferic has significant implications to the Company's reserves and future projections; (iv) the Company was experiencing known but undisclosed deficiencies in its internal controls; and (v) as a result, Rockwell's representations concerning the effectiveness of its internal controls and certifications pursuant to the Sarbanes-Oxley Act of 2002 were improper.

B. Proceedings in the Related Federal Securities Actions

Two putative securities class actions, titled *Too v. Rockwell Medical, Inc., et al.*, No. 1:18-cv-04253, and *Spock v. Rockwell Medical, Inc., et al.*, No. 2:18-cv-4993 (the "Securities Class Actions"), alleging some of the same misstatements alleged in the Litigation, were filed on July 27, 2018 and September 4, 2018, respectively. On October 10, 2018, those actions were consolidated into a single action (the "Securities Class Action"). On December 10, 2018, the plaintiffs in the Securities Class Action filed a consolidated complaint, alleging violations of Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated thereunder, and Section 20(a) of the Exchange Act. Defendants in the Securities Class Action filed answers to the consolidated complaint on February 18, 2019.

On June 3, 2019, the parties to the Securities Class Action entered into a memorandum of understanding that set forth, among other things, their agreement to settle and release all claims asserted against the defendants in the Securities Class Action in exchange for a cash payment by or on behalf of the defendants of \$3,700,000. On February 26, 2020, this Court fully and finally approved the parties' settlement and dismissed all of the claims asserted against the defendants in the Securities Class Action with prejudice.

C. Settlement Efforts in the Derivative Litigation

The parties commenced discussions about a potential early resolution of this Litigation in the summer of 2019. Lead Counsel sent a settlement demand to counsel for the Defendants on

August 16, 2019. Over the following five months, the parties negotiated in good faith the possibility of a settlement, including potential corporate reforms. On or about January 16, 2019, the parties reached an agreement in principle as to the substantive consideration for the settlement (i.e., the corporate governance reforms, described in Section VI, *infra*).

After reaching agreement on the substantive consideration for the Settlement, the parties separately negotiated in good faith and on an informed basis the amount of attorneys' fees to be paid to Plaintiffs' Counsel in recognition of the substantial benefits the Defendants, as described in Section V below, acknowledge the corporate governance reforms will provide to Rockwell as a result of Plaintiffs' Counsel's efforts. The Settling Parties then documented the Settlement in the Stipulation.

III. PLAINTIFFS' CLAIMS AND THE BENEFITS OF SETTLEMENT

Plaintiffs believe that the Litigation has substantial merit, and Plaintiffs' entry into the Stipulation is not intended to be and shall not be construed as an admission or concession concerning the relative strength or merit of the claims alleged in the Litigation. However, Plaintiffs and Plaintiffs' Counsel recognize and acknowledge the significant risk, expense, and length of continued proceedings necessary to prosecute the Litigation against the Defendants through trial and possible appeals. Plaintiffs' Counsel also have taken into account the uncertain outcome and the risk of any litigation, especially in complex cases such as the Litigation, as well as the difficulties and delays inherent in such litigation. Plaintiffs' Counsel are also mindful of the inherent problems of establishing standing in derivative litigation, and the possible defenses to the claims alleged in the Litigation.

Plaintiffs' Counsel states that they have conducted extensive investigation and analysis, including, *inter alia*: (i) reviewing Rockwell's press releases, public statements, U.S. Securities and Exchange Commission ("SEC") filings, and securities analysts' reports and advisories about

the Company; (ii) reviewing related media reports about the Company; (iii) researching applicable law with respect to the claims alleged in the Litigation and potential defenses thereto; (iv) preparing and filing derivative complaint(s); (v) conducting extensive damages analyses; (vi) researching Rockwell's existing and historical corporate governance practices and processes, corporate governance processes at Rockwell's peer companies, and industry-wide best practices; (vii) reviewing non-public documents produced by certain Defendants; (viii) preparing a detailed settlement demand that helped set the framework for settlement negotiations and ultimately the Settlement; (ix) evaluating the merits of the Securities Class Action and the potential liability of the defendants in the Securities Class Action, including the settlement of the Securities Class Action; and (x) negotiating this Settlement, including researching corporate governance best practices and negotiating the Reforms.

Based on its investigation and analysis, Plaintiffs' Counsel believe that the Settlement is fair, reasonable, and adequate, and confers a substantial benefit upon Rockwell. Based upon Plaintiffs' Counsel's investigation and analysis, Plaintiffs have determined that the Settlement is in the best interests of Rockwell and have agreed to settle the Litigation upon the terms and subject to the conditions set forth in the Stipulation.

IV. DEFENDANTS' DENIALS OF WRONGDOING AND LIABILITY

Defendants have denied and continue to deny that they violated the federal securities laws or any laws and maintain that their conduct was at all times proper and in compliance with all applicable law. Defendants have denied and continue to deny specifically each and all of the claims and contentions alleged in the Litigation, along with all charges of wrongdoing or liability against them arising out of any of the conduct, statements, acts, or omissions alleged, or that could have been alleged, in the Litigation. Defendants also have denied and continue to deny, inter alia, the allegations that any of the Defendants have committed, have attempted or

conspired to commit, or have aided and abetted any violations of law or breaches of any duties owed to Rockwell, any of the Plaintiffs, or any other Rockwell shareholder, or otherwise have been unjustly enriched or acted in any improper manner. In addition, the Defendants maintain that they have meritorious defenses to all claims alleged in the Litigation.

Defendants are entering into the Stipulation to eliminate the uncertainty, burden, and expense of further protracted litigation. As set forth in Paragraphs 7.3 and 9.3, the Stipulation shall in no event be construed as or deemed to be evidence of an admission or concession by Defendants or any of the Released Persons. Each of the Defendants denies any wrongdoing, and the Stipulation shall in no event be construed or deemed to be evidence of or an admission or concession on the part of any of the Defendants with respect to any claim or allegation of any fault or liability or wrongdoing or damage whatsoever, or any infirmity in the defenses that the Defendants have, or could have, asserted. Similarly, the Stipulation shall in no event be construed or deemed to be evidence of or an admission or concession on the part of any Plaintiff of any infirmity in any of the claims asserted in the Litigation, or an admission or concession that any of the Defendants' defenses to liability had any merit. Each of the Settling Parties recognizes and acknowledges, however, that the Litigation has been initiated, filed, and prosecuted by Plaintiffs in good faith and defended by Defendants in good faith and that the Litigation is being voluntarily settled with the advice of counsel. As described in Section V below, Defendants also acknowledge that the Settlement confers substantial benefits on the Company and its stockholders.

V. INDEPENDENT DIRECTOR APPROVAL

Rockwell, acting through its independent, non-defendant directors, reviewed the allegations and the Settlement terms, and in a good faith exercise of business judgment determined that (1) the terms of the Settlement and each of its terms, as set forth in the

Stipulation, is in the best interests of Rockwell; and (2) the Settlement confers substantial benefits on the Company and its stockholders.

VI. TERMS OF SETTLEMENT

The Board agrees to implement within ninety (90) days of final settlement approval, and to maintain for a minimum period of four (4) years (the "Compliance Term"), the corporate governance reforms detailed below (the "Reforms"). Defendants acknowledge that the commencement, litigation, and settlement of the Litigation was the cause of the Board's decision to implement and maintain the Reforms, and that the Reforms confer substantial benefits on the Company and its stockholders.

A. Enhanced Board Independence

1. Separate Chairman/CEO: The Company shall formalize a requirement that, at all times, the positions of Chairman of the Board ("Chairman") and Chief Executive Officer ("CEO") will not be occupied by the same individual.

2. Director Term Limits: Rockwell shall amend its Corporate Governance Guidelines to include a term limit of ten (10) years for all directors; provided, however, that a director may serve for longer than ten years upon approval of then-current independent members of Rockwell's Board (with the interested director abstaining from such vote).

B. Stockholder Input

The Board's Bylaws shall be amended, as necessary, to include, and shall reflect throughout the Compliance Term, the following:

1. No later than the last day of the month in which stockholder proposals are due under Rule 14a-8, the Company shall distribute to the entire Board all proposals received by the Company. After the distribution to the Board, and before the making of any recommendation to the Board or any of its members concerning a response, approval or disapproval, Rockwell's

legal counsel and senior management shall discuss with the Board Chairman and the chairperson ("Chair") of any Board committee responsible for oversight of the subject matter of the proposal, if applicable, the financial, legal, practical and social implications of approval and implementation of the proposal.

2. Where a stockholder proposal has been made, the Company shall timely contact the proponent of the proposal to arrange a teleconference or an in-person meeting to discuss the proposal and its financial, legal, social and practical implications. If the proponent agrees to a meeting or teleconference, the Board Chairman and/or Chair of any Board committee responsible for the oversight of the subject matter of the proposal shall attend.

3. Rockwell's legal counsel and senior management, with the authorization of the Board Chairman or the Chair of any Board committee responsible for oversight of the subject matter of the proposal, may prepare a response to the stockholder proposal and/or submit a no-action request to the SEC pursuant to Section 14(a) of the Exchange Act, and SEC Rule 14a-8, promulgated thereunder.

4. Before the filing of a proxy statement that makes a recommendation concerning any stockholder proposal submitted in accordance with Rule 14a-8, a draft of the recommendation shall be reviewed and approved by the Board.

C. Enhancements to Disclosure Committee Duties and Responsibilities

The Charter of the Disclosure Committee shall be amended to provide as follows:

1. The Disclosure Committee shall record minutes of all meetings, and shall provide the Audit Committee with all meeting minutes and, at the request of the Audit Committee, all materials, exhibits and attachments reviewed in connection with the preparation and review of each of the Company's periodic reports filed under the Exchange Act on Forms 10-K and 10-Q, as well as proxy statements and quarterly earnings releases.

2. Before each periodic report on Form 10-K or Form 10-Q is filed, the Chair of the Disclosure Committee or his or her designee shall report to the Audit Committee regarding the Disclosure Committee's deliberations, activities, and disclosure recommendations on such filings.

3. The Disclosure Committee shall be responsible for evaluating the materiality of information and events relating to or affecting the Company, and determining the timing and appropriate method of disclosure of information deemed material.

4. At least on a quarterly basis, the Disclosure Committee Chair shall prepare and submit to the Audit Committee a report regarding any concerns about actual or potential disclosure issues.

5. The Company shall post the Disclosure Committee Charter on its website.

D. Enhancements to Audit Committee Duties and Responsibilities

1. The Audit Committee Charter shall be amended to provide that the Audit Committee will be responsible for overseeing the work of the Disclosure Committee. The Audit Committee shall meet at least quarterly with the Chair of the Disclosure Committee and discuss matters of potential significance to Rockwell's compliance with securities laws, the adequacy of the Company's internal controls over financial reporting, and the Company's published earnings guidance (if any).

2. The Audit Committee Charter and other Company policies shall be amended as necessary to provide mechanisms for periodic and ad hoc reporting to the Audit Committee and the Disclosure Committee by the operational units in which matters arise that are material to the Company's financial reporting and related disclosures.

3. Committee policies shall be amended as necessary to reflect that all Company employees are expected to cooperate with Audit Committee investigations, and that

any failure to cooperate may be grounds for discipline by the Board, including, but not limited to, termination, in the sole discretion of the Board.

E. Whistleblower Program and Policy

1. The Board shall require the Company to maintain a formal written policy protecting whistleblowers who, in good faith, report actual or suspected violations of laws or Company policies (the "Whistleblower Policy")

2. The Company's Whistleblower Policy shall, inter alia, address the following points:

- (a) Encourage individuals to report known ethical and legal violations, and/or their reasonable beliefs that ethical and legal violations have occurred (with such reports to be made, as appropriate, to the employee's supervisor, the Audit Committee, or a third-party operated "Whistleblower Hotline") so that action may be taken to resolve the problem. Complaints submitted through the Whistleblower Hotline shall be reviewed by the Audit Committee, in consultation with and under the supervision of legal counsel, and presented to the full Board as appropriate;
- (b) State that Rockwell is serious about adherence to its corporate governance policies and that whistleblowing is an important tool in achieving this goal, including by making clear that it is both illegal and against Rockwell's policy to discharge, demote, suspend, threaten, intimidate, harass or in any manner discriminate against whistleblowers, and that executives may be subject to penalties, including termination, for retaliation against whistleblowers;
- (c) Make clear that whistleblower complaints may be directed to the Audit Committee in addition to the Whistleblower Hotline, and that complaints will be handled by these parties anonymously and in confidence;
- (d) Make clear that if a whistleblower brings his or her complaint to an outside regulator or other governmental entity, he or she will be protected by the terms of the Whistleblower Policy just as if he or she directed the complaint to the Audit Committee, the employee's supervisor, and/or the Whistleblower Hotline; and
- (e) Make clear that if an employee is subject to an adverse employment decision as a result of whistleblowing, the employee may assert a claim for impermissible retaliation under applicable laws and regulations. The Company shall provide a written communication at least annually reminding employees of whistleblower options and whistleblower protections set forth in the Company's policies, as well as posting such policies on the Company's intranet (or through similar means of providing notice to employees).

3. The Audit Committee shall receive at least quarterly: (i) a report on hotline usage trends; and (ii) a report on statistics regarding the results of whistleblower complaints (i.e., the percentage that led to investigation, the percentage referred to Human Resources, etc.).

4. A log of whistleblower complaints, as well as the results of all investigations of complaints, shall be memorialized in writing and maintained for a period of not less than one year.

5. The Company's General Counsel (if any) shall have access to the log at any time and shall oversee (together with the Audit Committee) any internal investigations into complaints relating to ethics and/or compliance.

6. The Audit Committee shall have access to the log at any time, and shall receive timely reports from the Company's General Counsel (if any) regarding any complaints raising material ethics and/or compliance risks, including updates regarding any investigations into such complaints.

7. To the extent applicable, at each regularly scheduled Board meeting, the Board shall be provided with a summary of the types of complaints received, as well as any material information resulting from any internal investigation into such complaints.

8. The Whistleblower Policy shall at all times be publicly available on the Company's website.

F. Enhanced Nominating and Corporate Governance Committee Responsibilities

1. The Governance Committee Charter shall be amended to reflect that the Governance Committee is responsible for evaluating all stockholder proposals submitted in

accordance with Rule 14a-8 and making recommendations to the Board regarding such proposals.

2. The Governance Committee Charter shall be amended to include the responsibility for evaluating disciplinary recommendations for executive officers and directors, and, together with the Company's independent directors (excepting any independent director who may be the subject of disciplinary review), making final determinations regarding such discipline.

3. At least once annually, the Governance Committee shall conduct a formal evaluation of Rockwell's director nomination processes, compare these processes with best practices, and develop recommendations to the Board regarding any actions to take based on its evaluation, including the implementation of new processes and procedures as necessary.

4. In accordance with its duties to develop principles of corporate governance and recommend such principles to the Board, the Governance Committee shall ensure that any agreed upon corporate governance principles or guidelines are available to the public through the Company's website.

5. Rockwell shall post the amended Governance Committee Charter on its website.

G. Enhanced Compensation Committee Responsibilities

1. To the extent that the Company is not already required to do so, the Company shall make additional disclosures in its definitive annual meeting proxy statements beginning with its 2020 definitive proxy statement. These additional disclosures shall provide an overview of the Company's compensation philosophy and compensation-setting process for directors and officers, including (at a minimum): (a) a description of the involvement of any independent compensation consultant in the compensation-setting process; (b) the peer group

used in setting compensation for directors and officers in a given year; and (c) a description of the use of benchmarking data in setting executive compensation, and any peer group benchmarking analysis employed in setting such compensation.

2. The Board shall annually review and approve the compensation payable to directors and executive officers, including any recommendation by the Compensation Committee as to changes in the compensation payable to directors and/or executive officers.

3. In determining, setting, or approving annual short-term compensation arrangements, the Compensation Committee shall take into account the particular executive's performance as it relates to both legal compliance and compliance with the Company's internal policies and procedures.

4. In determining, setting, or approving termination benefits and/or separation pay to executive officers, the Compensation Committee shall take into consideration the circumstances surrounding the particular executive officer's departure and the executive's performance as it relates to both legal compliance and compliance with the Company's internal policies and procedures.

5. Rockwell shall post the amended Compensation Committee Charter on its website.

VII. SETTLEMENT HEARING

1. The Court has scheduled a Settlement Hearing which will be held on _____, 2020 at __:__.m., in the United States District Court for the Eastern District of New York, located at _____, to:

- a) determine whether the Settlement should be approved by the Court as adequate, fair, and reasonable;

- b) determine whether Judgment should be entered pursuant to the Stipulation;
- c) consider Plaintiffs' Counsel's attorneys' fees and expenses and incentive awards for Plaintiffs; and
- d) rule on such other matters as the Court may deem appropriate.

2. The Court has reserved the right to adjourn the Settlement Hearing or any subsequently scheduled hearing, including the consideration of Plaintiffs' Counsel's attorneys' fees and expenses, without further notice of any kind other than oral announcement at the Settlement Hearing or any subsequently scheduled hearing, and the Court has retained jurisdiction with respect to implementation and enforcement of the terms of the Stipulation and the Judgment to be entered in the Litigation and to consider any matters or disputes arising out of or relating to the Settlement.

3. The Court has reserved the right to approve the Settlement at or after the Settlement Hearing with such modification(s) to the Stipulation as may be consented to by the Settling Parties and without further notice to Rockwell's current shareholders.

VIII. Right to Appear and Object

1. Any person who objects to the Settlement, the Judgment to be entered in the Litigation, and/or Plaintiffs' Counsel's attorneys' fees and expenses or incentive awards for Plaintiffs, or who otherwise wishes to be heard, may appear in person or by counsel at the Settlement Hearing and request leave of the Court to present evidence or argument that may be proper and relevant; provided, however, that, except by order of the Court for good cause shown, no person shall be heard and no papers, briefs, pleadings or other documents submitted by any person shall be considered by the Court unless not later than fourteen (14) calendar days prior to the Settlement Hearing such person files with the Court and serves upon counsel listed below: (a)

a written notice of intention to appear; (b) proof of current ownership of Rockwell stock, as well as documentary evidence of when such stock ownership was acquired; (c) a statement of such person's objections to any matters before the Court, including the Settlement, the proposed Judgment, or Plaintiffs' Counsel's attorneys' fees and expenses and/or the incentive awards for Plaintiffs; (d) the grounds for such objections and the reasons that such person desires to appear and be heard, as well as all documents or writings such person desires the Court to consider; (e) a description of any case, providing the name, court, and docket number, in which such person or his or her attorney, if any, has objected to a settlement in the last three years; and (f) a proof of service signed under penalty of perjury. Such filings shall be served electronically via the Court's ECF filing system, by hand, or by overnight mail upon the following counsel:

Plaintiffs' Counsel:

Shane P. Sanders
Robbins LLP
5040 Shoreham Place
San Diego, CA 92122

Defendants' Counsel:

Brian M. Lutz
Gibson, Dunn & Crutcher LLP
200 Park Avenue, 47th Floor
New York, NY 10166

-and-

Daniel Roeser
Goodwin Procter LLP
The New York Times Building
620 Eighth Avenue
New York, NY 10018

2. Unless the Court otherwise directs, no person shall be entitled to object to the approval of the Settlement, any judgment entered thereon, any award of attorneys' fees and expenses or incentive awards for Plaintiffs, or otherwise be heard, except by serving and filing a written objection and supporting papers and documents as prescribed above. Any person who

fails to object in the manner described above shall be deemed to have waived the right to object (including any right of appeal) and shall be forever barred from raising such objection in this or any other action or proceeding. If the Court approves the Settlement provided for in the Stipulation following the Settlement Hearing, Judgment shall be entered substantially in the form attached as Exhibit B to the Stipulation.

IX. INTERIM INJUNCTION

1. All proceedings in the Litigation, other than such proceedings as may be necessary to carry out the terms and conditions of the Settlement, have been stayed and suspended until further order of the Court. Except as provided in the Stipulation, pending the final determination of whether the Settlement should be approved by the Court, none of the Settling Parties shall institute, commence, prosecute, continue, or in any way participate in, whether directly, representatively, individually, derivatively on behalf of Rockwell, or in any other capacity, any action or other proceeding asserting any Released Claims, subject to the definitions set forth below.

2. "Related Person" means each and all of a Person's past, present, or future related parties, including their children, stepchildren, parents, stepparents, spouses (i.e., a husband, a wife, or a partner in a state-recognized domestic relationship or civil union), siblings, mothers-in-law, fathers-in-law, sons-in-law, daughters-in-law, brothers-in-law, sisters-in-law, associates, affiliates, divisions, subsidiaries, officers, directors, stockholders, owners, members, representatives, employees, attorneys, auditors, financial or investment advisors, consultants, underwriters, investment banks or bankers, commercial bankers, insurers, reinsurers, excess insurers, co-insurers, advisors, lobbyists, principals, agents, heirs, executors, trustees, estates, beneficiaries, distributees, foundations, general or limited partners or partnerships, joint ventures, personal or legal representatives, administrators, or any other person or entity acting or

purporting to act for or on behalf of any Person, and each of their respective predecessors, successors, assignees and assigns.

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

4. "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 Persons), 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) 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.

5. "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.

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

X. RELEASES

1. If the Court approves the Settlement, the Litigation will be dismissed with prejudice and on the merits and the Released Claims will be fully, finally, and forever compromised, settled, released, resolved, relinquished, waived, and discharged with prejudice and without costs (except as stated herein).

XI. PLAINTIFFS' COUNSEL'S ATTORNEYS' FEES AND EXPENSES

1. Plaintiffs and Rockwell negotiated in good faith and on an informed basis as to what would be a reasonable award of attorneys' fees and expenses and reasonable incentive awards for Plaintiffs in recognition of the benefits conferred upon Rockwell as a direct result of the commencement, litigation, and settlement of the Litigation. Plaintiffs and Rockwell agreed that the Individual Defendants shall cause their insurers to pay Plaintiffs' Counsel the agreed-to amount of \$450,000 (the "Fee and Expense Amount"). Plaintiffs and Rockwell further agree that under no circumstances shall Defendants be responsible for paying more than the agreed-upon Fee and Expense Amount to Plaintiffs or their counsel.

2. The Settling Parties agreed that Plaintiffs' Counsel may apply to the Court for a service award of up to \$2,500 for each of the Plaintiffs, only to be paid upon Court approval and to be paid from Plaintiffs' Counsel's Fee and Expense Amount, in recognition of Plaintiffs' participation and effort in the prosecution of the Litigation. The failure of the Court to approve any requested service award, in whole or in part, shall have no effect on the Settlement. Neither Rockwell nor any of the Individual Defendants shall be liable for any portion of any service award.

3. Plaintiffs shall file and serve their opening brief and papers in support of final approval of the Settlement and their attorneys' fees and expenses and incentive awards for Plaintiffs no later than twenty-eight (28) calendar days before the Settlement Hearing. Any Party's objection to Plaintiffs' Counsel's motion for final approval of the Settlement and Plaintiffs' Counsel's attorneys' fees and expenses and incentive awards for Plaintiffs shall be filed and served no later than fourteen (14) calendar days before the Settlement Hearing. Any briefs in response to any objection(s) to either the Settlement or Plaintiff's Counsel's attorneys' fees and expenses and incentive awards for Plaintiffs shall be filed and served no later than seven (7) calendar days before the Settlement Hearing.

XII. NOTICE TO PERSONS OR ENTITIES HOLDING OWNERSHIP ON BEHALF OF OTHERS

1. Brokerage firms, banks and/or other persons or entities who currently hold shares of common stock of Rockwell are directed promptly to send this Notice to all of their respective beneficial owners. If additional copies of the Notice are needed for forwarding to such beneficial owners, they may be obtained from _____ at the below address, or by downloading this information at www._____.com.

Rockwell Medical, Inc. Derivative Ligation

XIII. SCOPE OF THIS NOTICE

1. This Notice is not all-inclusive. The references in this Notice to the pleadings in the Litigation, the Stipulation, and other papers and proceedings are only summaries and do not purport to be comprehensive. For the full details of the Litigation, the claims and defenses which

have been asserted by the Settling Parties, and the terms and conditions of the Settlement, including a complete copy of the Stipulation, Rockwell's current stock holders are referred to the documents filed with the Court.

XIV. FURTHER INFORMATION

1. Inquiries or comments about the Settlement may be directed to the attention of Plaintiffs' Counsel as follows:

Shane P. Sanders
Robbins LLP
5040 Shoreham Place
San Diego, CA 92122

PLEASE DO NOT CONTACT THE COURT OR THE CLERK'S OFFICE

DATE: _____, 2020

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

IN RE ROCKWELL MEDICAL, INC.
STOCKHOLDER DERIVATIVE
LITIGATION

This Document Relates To:

ALL ACTIONS.

Lead Case No. 1:19-cv-02373-ARR-
RER

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

Honorable Allyne R. Ross

**SUMMARY NOTICE OF
PENDENCY AND PROPOSED
SETTLEMENT OF
DERIVATIVE ACTION**

EXHIBIT D

TO: ALL PERSONS OR ENTITIES WHO CURRENTLY HOLD SHARES OF STOCK OF ROCKWELL MEDICAL, INC. ("ROCKWELL" OR THE "COMPANY"), EITHER OF RECORD OR BENEFICIALLY, EXCLUDING DEFENDANTS AND ANY PERSON, FIRM, TRUST, CORPORATION OR OTHER ENTITY RELATED TO, OR AFFILIATED WITH, ANY OF THE DEFENDANTS

YOU ARE HERBY NOTIFIED that the parties have reached an agreement to settle (the "Settlement") all claims in the consolidated derivative actions captioned *In re Rockwell Medical, Inc. Stockholder Derivative Litigation*, Lead Case No. 1-19-cv-02373-ARR-RER (the "Litigation").

The terms of the settlement are set forth in a Stipulation of Settlement dated May 18, 2020 (the "Stipulation"). This notice should be read in conjunction with, and is qualified in its entirety by reference to, the text of the Stipulation, which has been filed with the U.S. District Court for the Eastern District of New York. All capitalized terms that are not defined herein shall have the meanings ascribed to them in the Stipulation. A link to the text of the Stipulation and the full-length Notice of Pendency and Proposed Settlement of Derivative Action may be found on the "Investors" page of Rockwell's website at www.rockwellmed.com.

Under the terms of the Stipulation, Rockwell's board of directors (the "Board") agrees to implement within ninety (90) days of final settlement approval, and to maintain for a minimum period of four (4) years, the corporate governance reforms described in the Stipulation (the "Reforms"). Defendants acknowledge that the commencement, litigation, and settlement of the Litigation was the cause of the Board's decision to implement and maintain the Reforms, and that the Reforms confer substantial benefits on the Company and its stockholders. Rockwell, acting through its independent, non-defendant directors, reviewed the allegations and the Settlement terms, and in a good faith exercise of business judgment determined that (1) the terms of the Settlement and each of its terms, as set forth in the Stipulation, is in the best interests of

Rockwell; and (2) the Settlement confers substantial benefits on the Company and its stockholders.

Plaintiffs and Rockwell negotiated in good faith and on an informed basis as to what would be a reasonable award of attorneys' fees and expenses and reasonable incentive awards for Plaintiffs in recognition of the benefits conferred upon Rockwell as a direct result of the commencement, litigation, and settlement of the Litigation. Plaintiffs and Rockwell agreed that the Individual Defendants shall cause their insurers to pay Plaintiffs' Counsel the agreed-to amount of \$450,000 (the "Fee and Expense Amount"), subject to Court approval.

Pursuant to an Order of the United States District Court for the Eastern District of New York, a hearing (the "Settlement Hearing") will be held on _____, 2020, at __:__.m., at the United States District Court for the Eastern District of New York, _____, for the purpose of: (a) determining whether the Settlement should be approved by the Court as adequate, fair, and reasonable; (b) determining whether Judgment should be entered pursuant to the Stipulation; (c) considering Plaintiffs' Counsel's attorneys' fees and expenses and incentive awards for Plaintiffs; and (d) ruling on such other matters as the Court may deem appropriate.

If you are a holder of Rockwell common stock, your rights may be affected by this Litigation and the Settlement thereof. If you have not received a detailed Notice of Pendency and Proposed Settlement of Derivative Action, you may obtain copies by writing to _____ at the below address, or by downloading this information at www._____.com.

Rockwell Medical, Inc. Derivative Litigation

Any person who objects to the Settlement, the Judgment to be entered in the Litigation, and/or Plaintiffs' Counsel's attorneys' fees and expenses or incentive awards for Plaintiffs, or who otherwise wishes to be heard, may appear in person or by counsel at the Settlement Hearing and request leave of the Court to present evidence or argument that may be proper and relevant; provided, however, that, except by order of the Court for good cause shown, no person shall be heard and no papers, briefs, pleadings or other documents submitted by any person shall be considered by the Court unless not later than fourteen (14) calendar days prior to the Settlement Hearing such person files with the Court and serves upon counsel listed below: (a) a written notice of intention to appear; (b) proof of current ownership of Rockwell stock, as well as documentary evidence of when such stock ownership was acquired; (c) a statement of such person's objections to any matters before the Court, including the Settlement, the proposed Judgment, or Plaintiffs' Counsel's attorneys' fees and expenses and/or the incentive awards for Plaintiffs; (d) the grounds for such objections and the reasons that such person desires to appear and be heard, as well as all documents or writings such person desires the Court to consider; (e) a description of any case, providing the name, court, and docket number, in which such person or his or her attorney, if any, has objected to a settlement in the last three years; and (f) a proof of service signed under penalty of perjury. Such filings shall be served electronically via the Court's ECF filing system, by hand, or by overnight mail upon the following counsel:

Plaintiffs' Counsel:

Shane P. Sanders
Robbins LLP
5040 Shoreham Place
San Diego, CA 92122

Defendants' Counsel:

Brian M. Lutz
Gibson, Dunn & Crutcher LLP
200 Park Avenue, 47th Floor
New York, NY 10166

-and-

Daniel Roeser
Goodwin Procter LLP
The New York Times Building
620 Eighth Avenue
New York, NY 10018

PLEASE DO NOT CONTACT THE COURT OR THE CLERK'S OFFICE

DATED: _____, 2020