

Principles of Corporate Governance

Adopted and Effective as of March 12, 2018

The Board of Directors (the “Board”) of Rockwell Medical, Inc. (the “Company”) has developed and adopted certain principles of corporate governance (these “Principles”) establishing a common set of expectations to assist the Board and its committees in fulfilling their responsibilities to the Company’s shareholders to oversee management and the Company’s results. These Principles are intended to ensure that the Board will have the necessary practices in place to review and evaluate the Company’s business operations as needed and to ensure that its governance practices comply with applicable laws, regulations and stock exchange requirements. In recognition of the continuing discussions about corporate governance, the Board will review and, if appropriate, revise these Principles from time to time.

Role of the Board of Directors and Management

The Company’s business is conducted by its employees, managers and officers, under the direction of the Company’s Chairperson of the Board and President and Chief Executive Officer (“CEO”) and the oversight of the Board, to enhance the long-term value of the Company for its shareholders. The Board is elected by the Company’s shareholders to oversee management and to assure that the long-term interests of the shareholders are being served.

Responsibilities of the Board of Directors

The Board reviews and discusses reports by management on the performance of the Company, its plans and prospects, as well as immediate issues facing the Company. Directors are expected to attend scheduled meetings of the Board and its committees on which they serve. In addition to its general oversight of management, the Board (either directly or through its committees) also performs a number of specific functions, including:

1. Representing the interests of the Company’s shareholders in maintaining and enhancing the success of the Company’s business, including optimizing long-term returns to increase shareholder value;
2. Selecting, evaluating and compensating the CEO, and overseeing CEO succession planning;
3. Providing counsel and oversight on the selection, evaluation, development and compensation of senior management, including, with respect to the compensation of senior management, the review and approval of compensation plans and awards granted under those plans;
4. Reviewing and approving the Company’s fundamental financial and business strategies, including strategic plans, management development and succession plans, and financial and capital budgets;

5. Reviewing and evaluating the processes in place to assess the major risks facing the Company, and periodically reviewing management's assessment of major risks, as well as the options for their mitigation;
6. Reviewing and assessing the processes in place for maintaining the integrity of the Company, including the integrity of its financial statements, the integrity of its compliance with law and ethics, the integrity of its relationships with employees, customers and suppliers and the integrity of its relationships with other stakeholders;
7. Providing general advice and counsel to the Chairperson of the Board, CEO and other senior management personnel in the performance of their duties;
8. Complying with all guidelines and policies of the Company that are generally applicable from time to time to directors; and
9. Keeping the proceedings and deliberations of the Board and its committees confidential and maintaining the confidentiality of information received in connection with his or her service as a director.

Board Composition and Selection; Director Independence

Board Size

The size of the Board and composition will be set so that the Board will possess, in the aggregate, the strategic, managerial and financial skills and experience necessary to fulfill its duties and to achieve its objectives. The Board shall consist of such number of directors as shall from time to time be determined by resolution of the Board adopted by an affirmative vote of the entire Board but which shall not be less than three nor more than fifteen members as specified in the Amended and Restated Bylaws (the "Bylaws"). The specific number of Board members will be reviewed from time to time and adjusted as necessary and appropriate to promote the best overall interests of the Company and its shareholders.

Board Leadership

The Board shall elect a Chairperson of the Board who shall have primary responsibility, subject to input from the other directors, for scheduling Board meetings, calling special meetings when necessary, setting or proposing the agenda for each meeting, and leading the conduct of Board meetings, as well as for carrying out such other duties as are specified for such office in the Bylaws. The offices of the Chairperson of the Board and Chief Executive Officer may be either combined or separated, in the Board's discretion. Currently, the Board has a Chairperson who qualifies as an independent director.

If the Chairperson of the Board is not an independent director, a "lead outside director" shall be designated to preside over each executive session of the Board and, when necessary, represent the independent directors. The Board shall designate an independent director as the lead outside director. The Lead Independent Director Charter is attached hereto as Appendix A. The Company does not currently have a lead outside director because the Chairperson qualifies as an independent director.

Communication with Directors

Shareholders and other interested parties may communicate with the full Board of Directors, non-management directors as a group or individual directors, including the Chairperson, by addressing such communication to the desired recipient and submitting such communications in writing to the Corporate Secretary at the Company's address, as provided in the Company's annual meeting proxy statement. The Corporate Secretary will screen such communications and forward them to the appropriate party; however, the Secretary has discretion to exclude from transmittal communications that are not appropriate for the directors, such as commercial advertisements or other forms of solicitation.

Anyone who has concerns regarding questionable accounting, internal accounting controls and auditing matters, including those regarding the circumvention or attempted circumvention of internal accounting controls or that would otherwise constitute a violation of the Company's accounting policies may communicate these concerns by writing to the attention of the Audit Committee at 30142 Wixom Road, Wixom, Michigan 48393.

Selection of Board Members

The Governance and Nominating Committee of the Board shall be responsible for developing and refining general and specific criteria for Board membership for approval by the Board. Also, the Governance and Nominating Committee is responsible for, among other things, evaluating on an ongoing basis all directors and director candidates based on such general and specific criteria and for seeking to assure that specific talents, skills and other characteristics that are needed to increase the Board's effectiveness are possessed by an appropriate combination of directors.

Independence of Directors

A majority of the directors shall be "independent" in accordance with the rules of the Nasdaq Stock Market ("Nasdaq").

The Board shall undertake an annual review to evaluate the independence of all non-employee directors. In advance of the meeting at which this review occurs, each non-employee director shall be asked to provide the Board with full information regarding the director's business and other relationships with the Company and its affiliates and with senior management and their affiliates to enable the Board to evaluate the director's independence.

Change of Status

As a general policy, the CEO and any other senior executives of the Company who are members of the Board will offer to tender his or her resignation from the Board upon the termination of his or her employment with the Company. However, the Board may ask the former CEO to remain on the Board if it believes that an exception to this policy is in the best interests of the Company and its shareholders.

A director who intends to be elected to an additional board of directors of a public company shall provide notice to the Board prior to accepting such additional directorship.

Executive and Private Sessions of the Board

Normally, members of senior management who are not members of the Board will participate in Board and Board committee meetings to present information, make recommendations, and be available for direct interaction with Board members.

However, the Board will have regularly scheduled meetings for the non-employee directors without members of the Company's management being present; such meetings may occur either independent of or in conjunction with regularly scheduled meetings of the Board. The non-employee directors may meet without management present at such other times as they determine appropriate. In addition, if one of the non-management directors is not an independent director, then the Board will have at least one regularly scheduled meeting each year that is limited to independent directors.

Board Committees

The Board shall at all times have an Audit Committee, a committee that fulfills the responsibilities of a nominating and corporate governance committee under the rules of the Nasdaq and a committee that fulfills the responsibilities of a compensation committee under the rules of the Nasdaq. The committees shall be comprised solely of independent directors. The Board shall evaluate and determine the circumstances under which it will form or disband other Board committees.

In addition to the requirement that a majority of the Board satisfy the independence standards discussed above, members of the Audit Committee must also satisfy any additional independence requirements imposed by Nasdaq or the Securities and Exchange Commission ("SEC").

The committee chairs of the committees of the Board shall be recommended by the Governance and Nominating Committee in consultation with the Chairperson of the Board, and approved by the Board. Board committee chairs will be responsible, in consultation with the Chairperson of the Board, for scheduling committee meetings, setting committee meeting agendas, leading the conduct of each committee meeting, reporting the committee's findings and making recommendations to the full Board, and presenting matters requiring Board action.

Committee Assignment and Rotation

The Governance and Nominating Committee, in consultation with the Chairperson of the Board, will recommend Board committee assignments and rotation to the entire Board for final approval. Board members will rotate among Board committees from time to time as the Board deems appropriate.

Number and Scope of Board and Committee Meetings

The Board will meet at least four times per year, including in connection with the annual meeting of shareholders, and otherwise as necessary or appropriate. Board committees will meet as set forth in their charters. Each director is expected to attend meetings of the Board and any Board committee(s) of which he or she is a member and to review all meeting materials

circulated prior to each meeting. Board members are also encouraged to attend the Company's annual meeting of shareholders.

Each meeting of the Board will include a financial and operating review. In addition, at least once annually, the Board will devote substantial time to reviewing the following matters: senior executive succession planning; the personal objectives and performance of the CEO; corporate controls and financial reporting policies and procedures (in consultation with the Audit Committee); the Board's effectiveness; and the Company's overall business strategy and strategic plan.

Director Compensation

Non-employee directors and committee chairs of the committees of the Board shall receive reasonable compensation for their services, as may be determined from time to time by the Board upon recommendation of the Compensation Committee. Compensation for non-employee directors and Board committee chairs shall be consistent with the market practices of other similarly situated companies. The Compensation Committee of the Board shall periodically review and report to the Board with respect to director compensation and benefits.

Directors who are employees of the Company shall receive no additional compensation for serving as directors.

Common Stock Ownership Guidelines for Directors

The Board believes that non-employee directors should own a sufficient amount of the Company's common stock to align their economic interests with the interests of the Company's shareholders. Director Share Ownership Guidelines are attached hereto as Appendix B.

Common Stock Ownership Guidelines for Management

The Board believes that executive officers should own a sufficient amount of the Company's common stock to align their economic interests with the interests of the Company's shareholders. Management Share Ownership Guidelines are attached hereto as Appendix C.

Director Election

A nominee for election to the Board in an uncontested election who receives more "withheld" or "against" votes than "for" votes in an election must tender his or her resignation to the Board and the Board shall consider whether or not to accept such resignation. See Majority Voting Policy attached hereto as Appendix D.

Director Access to Management and Independent Advisors

The Board is expected to be highly interactive with members of the Company's senior management, and the Board and its individual members shall have access to individual senior executives of the Company. The Company also maintains an environment that permits senior managers to contact Board members directly.

It is a policy of the Board that executive officers and other members of senior management who report directly to the CEO be present at Board and/or Board committee meetings at the invitation of the Board or Board committee members. The Board encourages such executive officers and senior management to make presentations or to include in discussions at Board meetings managers and other employees who (i) can provide insight into the matters being discussed because of their functional expertise and/or personal involvement in such matters and/or (ii) are individuals with high potential whom such executive officers and senior management believe the directors should have the opportunity to meet and evaluate.

Directors are authorized to consult with independent advisors at the Company's expense, as is necessary and appropriate, without consulting management.

Ethics and Conflicts of Interest

The Board expects the Company's directors, as well as its officers and employees, to act ethically at all times. Directors owe a duty of loyalty to the Company. This duty of loyalty mandates that the best interests of the Company take precedence over any interest possessed by a director. If an actual or potential conflict of interest arises for a director, whether under the Company's Code of Business Conduct and Ethics or otherwise, the director shall promptly inform the CEO and the Chairperson of the Board. If a significant conflict exists and cannot be resolved, the director should resign. All directors will recuse themselves from any discussion or decision affecting their personal, business or professional interests. The Board, or a committee thereof, shall resolve any conflict of interest question involving any executive officer of the Company, and the CEO shall resolve any conflict of interest issue involving any other officer of the Company.

Director Orientation and Continuing Education

The Board, under the leadership of the Chairperson, shall ensure that an orientation program for newly elected directors is implemented.

Directors are required to continue educating themselves with respect to various matters, including domestic and international markets, accounting and finance, leadership, crisis response, industry practices, general management, and strategic planning.

Management Succession and CEO Compensation

The Board shall develop and maintain an appropriate succession plan with respect to the position of CEO, including such plans in the event of an emergency or the retirement of the CEO. The Governance and Nominating Committee is responsible for making recommendations to the Board about succession planning generally. The Board shall review those recommendations in closed session.

The Compensation Committee is responsible for establishing annual and long-term performance goals for the CEO and for evaluating his or her performance against such goals.

Annual Performance Self-Assessment of the Board

The Board will conduct a self-assessment at least annually to evaluate whether it and its committees are functioning effectively.

Hedging and Pledging Policies

Directors and executive officers are prohibited from engaging in short selling, hedging transactions and from holding Company common stock in a margin account or pledging Company common stock as collateral for a loan. An exception to the prohibition of pledging applies to any securities pledged prior to the adoption of these Principles by a person who is a director or executive officer on the date these Principles are adopted, and an exception may be granted by the Board where a person wishes to pledge the Company's common stock as collateral for a loan and either (a) clearly demonstrates the financial capacity to repay the loan, which is not a margin loan, without resort to the pledged shares, or (b) withholding taxes have become due and owing in connection with the exercise of a stock option not more than 90 days prior to its expiration or in connection with the vesting of an equity award and the Board determines that (i) sales of shares by executive officers at such time to raise funds to cover such tax obligation would not be in the Company's or the shareholders' best interests and (ii) use of a cashless methodology pursuant to which shares or options are surrendered to the Company and the Company uses its cash resources to pay the withholding taxes owing would not be in the Company's best interests.

Compensation Recoupment Policy

The Board has adopted a compensation recoupment policy designed to ensure that incentive-based compensation is paid to executive officers based on accurate financial statements. See Clawback Policy attached hereto as [Appendix E](#).

Reliance on Management and Outside Advice

In performing its functions, the Board and its committees shall be entitled to rely on the advice, reports and opinions of management, counsel, accountants, auditors and other expert advisors. Except as otherwise provided in a charter of a committee, the Board and its committees shall have the authority to select, retain, terminate and approve the fees and other retention terms of its outside advisors. The Company shall provide appropriate funding to compensate such advisors and to cover ordinary administrative expenses incurred in connection with the discharge of their duties.

Limitation

Nothing in these Principles is intended to expand the fiduciary obligations of the members of the Board beyond those provided for under applicable law.

Majority Voting Policy

It shall be the policy of the Board of Directors (the “Board”) that, in any uncontested election of directors, except to the extent prohibited by applicable law, any nominee for director who receives a greater number of “withheld” or “against” votes from his or her election than votes “for” his or her election (the “Specified Vote”) is expected to tender his or her resignation to the Chairperson of the Board promptly following certification of the shareholder vote, which resignation shall be effective only upon acceptance by the Board of Directors as set forth below. For purposes hereof, an “uncontested election” shall mean any election of directors in which the number of candidates for election as directors does not exceed the number of directors to be elected, with the determination thereof being made by the Secretary of the Company as of the applicable record date.

If a director fails to receive the Specified Vote for election, then, within 90 days following certification of the voting results on the election, the Governance and Nominating Committee (the “Committee”) will determine whether to recommend acceptance of the director’s resignation and will submit such recommendation for prompt consideration by the Board, and the Board will act on the Committee’s recommendation not later than its next regularly scheduled meeting following receipt of the Committee’s recommendation. The Committee and the Board may consider any factors they deem relevant in deciding whether to accept a director’s resignation. The Company will promptly disclose the Board’s decision-making process and decision regarding whether to accept the director’s resignation offer (or a brief summary of the rationale for rejecting the resignation offer, if applicable) in a Current Report on Form 8-K (or any successor report) furnished to the Securities and Exchange Commission.

Any director who tenders his or her resignation pursuant to this provision shall not participate in the Committee’s recommendation or in the Board’s determination regarding whether to accept such director’s resignation offer, subject to the last sentence in this paragraph, but may otherwise remain active and engaged in all other Board-related activities, deliberations and decisions while consideration of the director’s resignation is ongoing. If a majority of the directors on the Committee fail to receive the Specified Vote in the same election, then those independent directors on the Board who did receive the Specified Vote shall appoint a committee amongst themselves to consider the resignation offers and recommend to the Board whether to accept them. If three or fewer directors receive the Specified Vote in the same election, then all directors may participate in the Board’s determination regarding whether to accept the resignation offers.

To the extent that one or more directors’ resignations are accepted by the Board, the Committee will recommend to the Board, and the Board shall determine, whether to fill such vacancy or vacancies or to reduce the size of the Board.