ROCKWELL MEDICAL, INC.

FORM 10-Q
(Quarterly Report)

Filed 05/09/17 for the Period Ending 03/31/17

Address	30142 S WIXOM RD
	WIXOM, MI 48393
Telephone	2489609009
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Industry	Pharmaceuticals
Sector	Healthcare
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United States
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2017

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number: 000-23661

ROCKWELL MEDICAL, INC.
(Exact name of registrant as specified in its charter)

Michigan	**38-3317208**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
30142 Wixom Road, Wixom, Michigan	**48393**
(Address of principal executive offices)	(Zip Code)

(248) 960-9009
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐
Non-accelerated filer ☐ (Do not check if a smaller reporting company)
Accelerated filer ☒
Smaller reporting company ☐
Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	**Outstanding as of April 28, 2017**
Common Stock, no par value	5 2,057,711 shares

Rockwell Medical, Inc.
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Triferic ® is a registered trademark of Rockwell.

PART I – FINANCIAL INFORMATIO N

Item 1. Financial Statement s

ROCKWELL MEDICAL, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET S

As of March 31, 2017 and December 31, 2016

(Unaudited)

	March 31, 2017	December 31, 2016
ASSETS		
Cash and Cash Equivalents	$ 11,899,710	$ 17,180,594
Investments Available for Sale	40,840,581	40,759,703
Accounts Receivable, net of a reserve of $4,000 in 2017 and $5,000 in 2016	7,249,928	6,393,228
Inventory	13,420,823	12,141,072
Other Current Assets	1,339,169	2,034,598
Total Current Assets	74,750,211	78,509,195
Property and Equipment, net	1,419,651	1,391,575
Inventory, Non-Current	2,837,912	1,826,554
Intangible Assets	4,293	4,382
Goodwill	920,745	920,745
Other Non-current Assets	524,011	501,187
Total Assets	$ 80,456,823	$ 83,153,638
LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts Payable	$ 3,943,575	$ 5,858,234
Accrued Liabilities	6,230,911	4,210,151
Customer Deposits	216,732	77,217
Total Current Liabilities	10,391,218	10,145,602
Deferred License Revenue	19,460,436	20,051,737
Shareholders' Equity:		
Common Shares, no par value, 52,057,711 and 51,527,711 shares issued and outstanding	270,478,325	268,199,939
Accumulated Deficit	(219,083,115)	(214,341,092)
Accumulated Other Comprehensive Income	(790,041)	(902,548)
Total Shareholders' Equity	50,605,169	52,956,299
Total Liabilities And Shareholders' Equity	$ 80,456,823	$ 83,153,638

The accompanying notes are an integral part of the consolidated financial statements.

ROCKWELL MEDICAL, INC. AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENT S

For the three ended March 31, 2017 and March 31, 2016

(Unaudited)

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Sales	$ 14,592,254	$ 13,627,048
Cost of Sales	12,234,782	11,932,122
Gross Profit	2,357,472	1,694,926
Selling, General and Administrative	6,100,715	4,986,741
Research and Product Development	1,214,851	1,314,430
Operating Income (Loss)	(4,958,094)	(4,606,245)
Interest and Investment Income	216,071	186,562
Income (Loss) Before Income Taxes	(4,742,023)	(4,419,683)
Income Tax Expense	—	(404,527)
Net Income (Loss)	$ (4,742,023)	$ (4,824,210)
Basic Earnings (Loss) per Share	$ (0.09)	$ (0.10)
Diluted Earnings (Loss) per Share	$ (0.09)	$ (0.10)

The accompanying notes are an integral part of the consolidated financial statements.

ROCKWELL MEDICAL, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

For the three months ended March 31, 2017 and March 31, 2016

(Unaudited)

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Net Income (Loss)	**$ (4,742,023)**	**$ (4,824,210)**
Unrealized Gain (Loss) on Available-for-Sale Investments	112,002	(47,233)
Foreign Currency Translation Adjustments	505	—
Comprehensive Income (Loss)	**$ (4,629,516)**	**$ (4,871,443)**

The accompanying notes are an integral part of the consolidated financial statements.

ROCKWELL MEDICAL, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUIT Y

For the three months ended March 31, 2017

(Unaudited)

	COMMON SHARES		ACCUMULATED DEFICIT	ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	TOTAL SHAREHOLDER'S EQUITY
	SHARES	AMOUNT			
Balance as of December 31, 2016	51,527,711	$ 268,199,939	$ (214,341,092)	$ (902,548)	$ 52,956,299
Net Loss	—	—	(4,742,023)	—	(4,742,023)
Unrealized Gain on Available-for-Sale Investments	—	—	—	112,002	112,002
Foreign Currency Rate Changes	—	—	—	505	505
Shares Issued in Exchange for Services	50,000	19,071			19,071
Stock Option Based Expense	—	1,132,787	—	—	1,132,787
Restricted Stock Amortization	480,000	1,126,528	—	—	1,126,528
Balance as of March 31, 2017	52,057,711	$ 270,478,325	$ (219,083,115)	$ (790,041)	$ 50,605,169

The accompanying notes are an integral part of the consolidated financial statements.

ROCKWELL MEDICAL, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOW S

For the three months ended March 31, 2017 and March 31, 2016

(Unaudited)

	2017	2016
Cash Flows From Operating Activities:		
Net (Loss)	**$ (4,742,023)**	**$ (4,824,210)**
Adjustments To Reconcile Net Loss To Net Cash Used In Operating Activities:		
Depreciation and Amortization	130,215	200,089
Share Based Compensation—Non-employee	19,071	—
Share Based Compensation—Employees	2,259,316	2,679,468
Loss on Disposal of Assets	3,350	506
Changes in Assets and Liabilities:		
(Increase) in Accounts Receivable	(344,500)	(1,176,787)
(Increase) in Inventory	(2,291,108)	(1,292,152)
(Increase) in Other Assets	160,406	(42,733)
(Decrease) in Accounts Payable	(1,914,780)	425,252
(Decrease) in Other Liabilities	2,160,268	(507,795)
Increase (decrease) in Deferred License Revenue	(498,120)	(481,686)
Increase (decrease) in Deferred Drug License Revenue	(93,181)	3,954,546
Changes in Assets and Liabilities	(2,821,015)	878,645
Cash (Used In) Provided By Operating Activities	**(5,151,086)**	**(1,065,502)**
Cash Flows From Investing Activities:		
Purchase of Investments Available for Sale	31,123	—
Purchase of Equipment	(162,003)	(202,430)
Proceeds on Sale of Assets	450	—
Cash (Used In) Investing Activities	**(130,430)**	**(202,430)**
Cash Flows From Financing Activities:		
Proceeds from Issuance of Common Shares and Purchase Warrants	—	77,250
Cash Provided By Financing Activities	**—**	**77,250**
Effects of exchange rate changes	632	—
(Decrease) Increase In Cash	(5,280,884)	(1,190,682)
Cash At Beginning Of Period	17,180,594	31,198,182
Cash At End Of Period	**$ 11,899,710**	**$ 30,007,500**

Supplemental Cash Flow disclosure

	2017	2016
Income Taxes Paid	$ —	$ 404,527

The accompanying notes are an integral part of the consolidated financial statements.

Rockwell Medical, Inc. and Subsidiaries

Notes to Consolidated Financial Statement s

1. Description of Business

Rockwell Medical, Inc. and Subsidiaries (collectively, "we", "our", "us", or the "Company") is a fully-integrated pharmaceutical company targeting end-stage renal disease and chronic kidney disease with innovative products for the treatment of iron deficiency, secondary hyperparathyroidism and hemodialysis. We are also an established manufacturer and leader in delivering high-quality hemodialysis concentrates/dialysates to dialysis providers and distributors in the United States and abroad.

We are currently developing unique, proprietary renal drug therapies. These novel renal drug therapies support disease management initiatives to improve the quality of life and care of dialysis patients and are designed to deliver safe and effective therapy, while decreasing drug administration costs and improving patient convenience and outcome. We have obtained global licenses for certain dialysis related drugs which we are developing and planning to market.

We manufacture, sell and distribute hemodialysis concentrates and other ancillary medical products and supplies used in the treatment of patients with End Stage Renal Disease, or "ESRD". We supply our products to dialysis providers and distributors who treat patients with kidney disease. Our concentrate products are used to remove waste and replace needed nutrients in the blood of dialysis patients during their hemodialysis treatment. We primarily sell our products in the United States.

We are regulated by the Federal Food and Drug Administration ("FDA") under the Federal Drug and Cosmetics Act, as well as by other federal, state and local agencies. We hold several FDA product approvals including both drugs and medical devices.

2. Summary of Significant Accounting Policies

Basis of Presentation

Our consolidated financial statements include our accounts and the accounts for our wholly owned subsidiaries, Rockwell Transportation, Inc. and Rockwell Medical India Private Limited. All intercompany balances and transactions have been eliminated in consolidation. The accompanying consolidated financial statements have been prepared using accounting principles generally accepted in the United States of America, or "GAAP," and with the instructions to Form 10-Q and Securities and Exchange Commission Regulation S-X as they apply to interim financial information. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. The balance sheet at December 31, 2016 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by GAAP for complete financial statements.

In the opinion of our management, all adjustments have been included that are necessary to make the financial statements not misleading. All of these adjustments that are material are of a normal and recurring nature. Our operating results for the three months ended March 31, 2017 are not necessarily indicative of the results to be expected for the year ending December 31, 2017. You should read our unaudited interim financial statements together with the financial statements and related footnotes for the year ended December 31, 2016 included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2016. Our Annual Report on Form 10-K for the fiscal year ended December 31, 2016 includes a description of our significant accounting policies.

Revenue Recognition

Our policy is to recognize revenue consistent with authoritative guidance for revenue recognition including the provisions of the Financial Accounting Standards Board Accounting Standards Codification. We recognize revenue when all of the following criteria are met: (i) persuasive evidence of an arrangement exists, (ii) delivery (or passage of title) has occurred or services have been rendered, (iii) the seller's price to the buyer is fixed or determinable, and (iv) collectability is reasonably assured.

Consistent with these guidelines we recognize revenue at the time we transfer title to our products to our customers which generally occurs when our products are delivered to our customer's location consistent with our terms of sale. We recognize revenue for international shipments when title has transferred consistent with standard terms of sale.

We apply judgment as we analyze each element of our contractual agreements to determine appropriate revenue recognition. The terms of our contractual agreements may include milestone payments if specified research and development objectives are achieved, non-refundable licensing fees, milestone payments on sales or royalties from product sales.

When entering into an arrangement, we first determine whether the arrangement includes multiple deliverables and is subject to the accounting guidance in ASC subtopic 605-25, Multiple-Element Arrangements. If we determine that an arrangement includes multiple elements, we determine whether the arrangement should be divided into separate units of accounting and how the arrangement consideration should be measured and allocated among the separate units of accounting. An element qualifies as a separate unit of accounting when the delivered element has standalone value to the customer. Our arrangements do not include a general right of return relative to delivered elements. Any delivered elements that do not qualify as separate units of accounting are combined with other undelivered elements within the arrangement as a single unit of accounting. If the arrangement constitutes a single combined unit of accounting, we determine the revenue recognition method for the combined unit of accounting and recognize the revenue either on a straight-line basis or on a modified proportional performance method over the period from inception through the date the last deliverable within the single unit of accounting is delivered.

Non-refundable upfront license fees are recorded as deferred revenue and recognized into revenue over the estimated period of our substantive performance obligations. If we do not have substantive performance obligations, we recognize non-refundable upfront fees into revenue through the date the deliverable is satisfied. Analyzing the arrangement to identify deliverables requires the use of judgment and each deliverable may be an obligation to deliver services, a right or license to use an asset, or another performance obligation. In arrangements that include license rights and other non-contingent deliverables, such as participation in a steering committee, these deliverables do not have standalone value because the non-contingent deliverables are dependent on the license rights. That is, the non-contingent deliverables would not have value without the license rights, and only we can perform the related services. Upfront license rights and non-contingent deliverables, such as participation in a steering committee, do not have standalone value as they are not sold separately and they cannot be resold. In addition, when non-contingent deliverables are sold with upfront license rights, the license rights do not represent the culmination of a separate earnings process. As such, we account for the license and the non-contingent deliverables as a single combined unit of accounting. In such instances, the license revenue in the form of non-refundable upfront payments is deferred and recognized over the applicable relationship period.

For milestone payments based on sales and for royalties based on sales, we recognize revenue in the quarter that the information related to the sales becomes available and collectability is reasonably assured.

For international license agreements that we have entered into, deferred license revenue is being recognized over the term of the license agreement.

The initial payment of $20 million received pursuant to our long-term Exclusive Distribution Agreement (the "Distribution Agreement") with Baxter Healthcare Corporation ("Baxter") in October 2014 has been accounted for as deferred license revenue. Deferred license revenue is being recognized based on the proportion of product shipments to Baxter in each period to total expected sales volume for the term of the agreement. See Note 4 to condensed consolidated financial statements for information related to our ongoing arbitration with Baxter.

We recognize other revenues at the time the related fees and or payments are earned.

We require certain customers, mostly international customers, to pay for product prior to the transfer of title to the customer. Deposits received from customers and payments in advance for orders are recorded as liabilities under Customer Deposits until such time as orders are filled and title transfers to the customer consistent with our terms of sale.

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* , which will supersede the current revenue recognition requirements

in Topic 605, *Revenue Recognition* . The standard's core principle is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The new guidance is effective for the year beginning January 1, 2018. The standard permits the use of either the retrospective or cumulative effect transition method. The Company is in the process of evaluating how the new revenue recognition standard could impact the financial statements and disclosures. For the majority of our sales transactions, the new standard is not expected to significantly change the timing of revenue recognition; however, we are still analyzing our licensing arrangements to determine the impact of the new standard. The new standard will also require expanded disclosures surrounding revenue in the notes to the financial statements.

Cash and Cash Equivalents

We consider cash on hand, money market funds, unrestricted certificates of deposit and short term marketable securities with an original maturity of 90 days or less as cash and cash equivalents.

Investments Available for Sale

Investments Available for Sale are short-term investments, consisting of investments in short term bond funds, and are stated at fair value based upon observed market prices (Level 1 in the fair value hierarchy). These funds generally hold high credit quality short term debt instruments. These instruments are subject to changes in fair market value due primarily to changes in interest rates. The fair value of these investments was $40,840,581 as of March 31, 2017. Unrealized holding gains or losses on these securities are included in accumulated other comprehensive income (loss). Realized gains and losses, including declines in value judged to be other-than-temporary on available-for-sale securities are included as a component of other income or expense. Gross unrealized losses were $789,875 as of March 31, 2017. There were no realized gains or losses in the first quarter of 2017.

The Company has evaluated the near term interest rate environment and the expected holding period of the investments along with the duration of the fund portfolios in assessing the severity and duration of potential impairments. Based on that evaluation the Company does not consider those investments to be other-than-temporarily impaired at March 31, 2017.

Research and Product Development

We recognize research and product development expenses as incurred. We incurred product development and research costs related to the commercial development, patent approval and regulatory approval of new products aggregating approximately $1.2 million and $1.3 million for the three months ended March 31, 2017 and 2016, respectively.

Share Based Compensation

We measure the cost of employee and non-employee services received in exchange for equity awards, including stock options, based on the grant date fair value of the awards in accordance with ASC 718-10, Compensation — Stock Compensation. The cost of equity based compensation is recognized as compensation expense over the vesting period of the awards.

We estimate the fair value of compensation involving stock options utilizing the Black-Scholes option pricing model. This model requires the input of several factors such as the expected option term, expected volatility of our stock price over the expected option term, and an expected forfeiture rate, and is subject to various assumptions. We believe the valuation methodology is appropriate for estimating the fair value of stock options we grant to employees and directors which are subject to ASC 718-10 requirements. These amounts are estimates and thus may not be reflective of actual future results or amounts ultimately realized by recipients of these grants.

Net Earnings Per Share

We computed our basic earnings (loss) per share using weighted average shares outstanding for each respective period. Diluted earnings per share also reflect the weighted average impact from the date of issuance of all potentially

dilutive securities, consisting of stock options and common share purchase warrants, unless inclusion would have had an anti-dilutive effect. The calculation of basic weighted average shares outstanding excludes unvested restricted stock. Actual weighted average shares outstanding used in calculating basic and diluted earnings per share were:

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Basic Weighted Average Shares Outstanding	50,686,044	50,673,031
Effect of Dilutive Securities	—	—
Diluted Weighted Average Shares Outstanding	50,686,044	50,673,031

3. Inventory

Components of inventory as of March 31, 2017and December 31, 2016 are as follows:

	March 31, 2017	December 31, 2016
Raw Materials	$ 13,240,960	$ 10,903,084
Work in Process	91,547	86,452
Finished Goods	2,926,228	2,978,090
Total	$ 16,258,735	$ 13,967,626

4. Baxter Distribution Agreement

As of October 2, 2014, we entered into the Distribution Agreement with Baxter, pursuant to which Baxter became the Company's exclusive agent for sales, marketing and distribution activities for the Company's hemodialysis concentrate and ancillary products in the United States and various foreign countries for an initial term of 10 years. The Distribution Agreement does not include any of the Company's drug products. The Company retains sales, marketing and distribution rights for its hemodialysis concentrate products in specified foreign countries in which the Company has an established commercial presence.

On September 12, 2016, Baxter initiated an arbitration proceeding against Rockwell in accordance with the International Institute for Conflict Prevention and Resolution, Inc.'s Rules for Non-Administered Arbitration under the Distribution Agreement. Baxter alleges that Rockwell has breached the Distribution Agreement in various respects. Baxter seeks declaratory relief giving Baxter the right to terminate the Distribution Agreement and recover a portion of the upfront fee, injunctive relief to prevent Rockwell from establishing a West Coast facility, and unspecified damages.

Rockwell filed a response denying all of Baxter's claims of breach and wrongdoing, and has counterclaimed that Baxter is itself in breach of the Distribution Agreement for failing to pay substantial accounts receivable and for repudiating its obligation to pay the West Coast facility fee of up to $10 million. Rockwell is seeking damages, declaratory, injunctive and other equitable relief, as well as interest, costs and attorney fees.

In addition, in October 2016, Rockwell gave notice to Baxter that it breached the minimum purchase requirement for the contract year ended October 2, 2016 and that Rockwell intended to cause its distribution rights to become non-exclusive unless it cured the shortfall within the 30-day period specified in the Distribution Agreement. Baxter disputed the existence of a breach and failed to cure the deficiency. Rockwell subsequently provided Baxter with notice of loss of exclusivity due to its failure to cure as provided in the Distribution Agreement. The determination of whether a breach occurred resulting in a loss of exclusivity and the outcome of the other pending disputes with Baxter will be determined through the arbitration process. Such arbitration process is anticipated to conclude during the third quarter of 2017.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operation s

The following discussion and analysis should be read in conjunction with the Consolidated Financial Statements and the Notes thereto included elsewhere in this report. References in this report to the "Company," "we," "our" and "us" are references to Rockwell Medical, Inc. and its subsidiaries.

Forward-Looking Statements

We make forward-looking statements in this report and may make such statements in future filings with the Securities and Exchange Commission, or SEC. We may also make forward-looking statements in our press releases or other public or shareholder communications. Our forward-looking statements are subject to risks and uncertainties and include information about our expectations and possible or assumed future results of our operations. When we use words such as "may," "might," "will," "should," "believe," "expect," "anticipate," "estimate," "continue," "predict," "forecast," "projected," "intend," or similar expressions, or make statements regarding our intent, belief, or current expectations, we are making forward-looking statements. Our forward looking statements also include, without limitation, statements about our competitors, statements regarding Triferic and Calcitriol, statements relating to our disputes with Baxter and statements regarding our anticipated future financial condition, operating results, cash flows and business plans.

We claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 for all of our forward-looking statements. While we believe that our forward-looking statements are reasonable, you should not place undue reliance on any such forward-looking statements, which are based on information available to us on the date of this report or, if made elsewhere, as of the date made. Because these forward-looking statements are based on estimates and assumptions that are subject to significant business, economic and competitive uncertainties, many of which are beyond our control or are subject to change, actual results could be materially different. Factors that might cause such a difference include, without limitation, the risks and uncertainties discussed in this report, "Item 1A — Risk Factors" in our Form 10-K for the year ended December 31, 2016 and from time to time in our other reports filed with the SEC.

Risks Related To Our Drug Business

- Although Triferic has been approved by the FDA, we may not be able to commercialize it successfully.
- Triferic is currently limited to use in adult patients receiving hemodialysis treatments and has not been approved for other indications. Regulatory approval for any approved product is limited by the FDA to those specific indications and conditions for which clinical safety and efficacy have been demonstrated, which may limit our ability to market our drug products.
- If we do not obtain protection under the Hatch-Waxman Act to extend patent protection for Triferic, our business may be harmed.
- Our Calcitriol contract manufacturer has made changes to the manufacturing process for Calcitriol that require FDA approval prior to commercial sale of Calcitriol. The FDA review process has delayed our launch of Calcitriol and, even if approved, we may not be able to commercialize Calcitriol successfully.
- We may not be successful in obtaining foreign regulatory approvals or in arranging an out-licensing or other venture to realize commercialization of our drug products outside of the United States. Even if we are successful in out-licensing our drug products, the licensee or partner may not be effective at marketing our products in certain markets or at all.
- We will rely on third party suppliers for raw materials, packaging components and manufacturing of our drug products. We may not be able to obtain the raw materials, proper components or manufacturing capacity we need, or the cost of the materials, components or manufacturing capacity may be higher than expected, any of which could have a material adverse effect on our expected results of operations, financial position and cash flows.
- Before it can be marketed, an investigational drug requires FDA approval, which is a long, expensive process with no guarantee of success.
- Our drug business will depend on government funding of health care, and changes could impact our ability to be paid in full for our products, increase prices or cause consolidation in the dialysis provider market.
- Our efforts to obtain transitional add on reimbursement status for Triferic may not be successful.
- Health care reform could adversely affect our business.

Risks Related To Our Concentrate Business

- We are in arbitration to resolve disputes with Baxter regarding the Distribution Agreement, which could result in termination of the Distribution Agreement or have other material adverse consequences for us.
- We may be required to repay a portion of the fees received from Baxter, which could materially and adversely affect our financial position and cash reserves.
- A few customers account for a substantial portion of the end user sales of our concentrate products. The loss of any of these customers could have a material adverse effect on our results of operations and cash flow from our concentrate business.
- The concentrate market is very competitive and has a large competitor with substantial resources.
- We may be affected materially and adversely by increases in raw material costs.
- Our concentrate business is highly regulated, which increases our costs and the risk and consequence of noncompliance.

Risks Related To Our Business As A Whole

- We may not be successful in expanding our product portfolio or in our business development efforts related to in-licensing, acquisitions or other business collaborations. Even if we are able to enter into business development arrangements, they could have a negative impact on our business and our profitability.
- Our drug and concentrate businesses are highly regulated, resulting in additional expense and risk of noncompliance that can materially and adversely affect our business, financial condition and results of operations.
- We depend on key personnel, the loss of which could harm our ability to operate.
- We could be prevented from selling products, forced to pay damages and compelled to defend against litigation if we infringe the rights of a third party.
- Our products may have undesirable side effects and our product liability insurance may not be sufficient to protect us from material liability or harm to our business.
- We may be unable to obtain certain debt financing in the future as a result of our arrangement with Baxter.

Risks Related To Our Common Stock

- Shares eligible for future sale may affect the market price of our common shares.
- The market price for our common stock is volatile.
- We could have a material weakness in our internal control over financial reporting, which, until remedied, could result in errors in our financial statements requiring restatement of our financial statements. As a result, investors may lose confidence in our reported financial information, which could lead to a decline in our stock price.
- Structural and anti-takeover provisions reduce the likelihood that you will receive a takeover premium.
- We do not anticipate paying dividends in the foreseeable future.

Other factors not currently anticipated may also materially and adversely affect our results of operations, cash flow and financial position. There can be no assurance that future results will meet expectations. We do not undertake and expressly disclaim any obligation to update or alter any statements whether as a result of new information, future events or otherwise, except as may be required by applicable law.

Overview

Rockwell is a fully-integrated pharmaceutical company targeting end-stage renal disease and chronic kidney disease with innovative products and services for the treatment of iron deficiency, secondary hyperparathyroidism and hemodialysis. We are also an established manufacturer and leader in delivering high-quality hemodialysis concentrates/dialysates to dialysis providers and distributors in the United States and abroad. We supply approximately 25% of the United States domestic market with dialysis concentrates and we also supply dialysis concentrates to distributors serving a number of foreign countries, primarily in the Americas and the Pacific Rim. Substantially all of our sales were concentrate products and related ancillary items.

Our business strategy is developing unique, proprietary renal drug therapies that we can commercialize or out-license, while also expanding our dialysis products business. These novel renal drug therapies support disease management initiatives to improve the quality of life and care of dialysis patients and are designed to deliver safe and effective therapy, while decreasing drug administration costs and improving patient convenience and outcome.

Triferic is our lead branded drug. We believe it has the potential to capture significant market share due to its improved clinical and cost-saving benefits. Triferic received FDA approval in 2015, and is the only FDA-approved therapy indicated to replace iron and maintain hemoglobin in adult hemodialysis patients. Triferic was approved, effective January 1, 2016, for Medicare reimbursement within the standard "bundle". About that time, we began pursuit of transitional add-on reimbursement status for Triferic, which is available for new, innovative therapies for a period of two years. Although we cannot be certain, we believe that Triferic will ultimately receive transitional add-on reimbursement status, which offers greater incentive for dialysis providers to adopt new, innovative therapies.

Until the add-on reimbursement status issue is resolved for Triferic, we do not anticipate realizing significant revenues from it. In the meantime, we continue to make great progress in educating our customers about Triferic, and the valuable benefits it delivers by improving patient outcomes and lowering costs. We are very pleased with the favorable response, and the positive clinical findings that are being reported from dialysis providers using Triferic through our drug sample program. Our marketing and selling efforts to nephrologists and nurses, as well as to patients, are being received favorably. We have built up a significant inventory of Triferic and the active pharmaceutical ingredient of Triferic in anticipation of receiving transitional add-on reimbursement status. If we are unable to successfully commercialize Triferic and achieve sufficient sales volumes over the next one to two years, we may have to write off a portion of our inventory investment in Triferic, which would have an adverse effect on our results of operations.

Our global strategy is to license Triferic to key partners to commercialize internationally. Additionally, we are continuing development work on other clinical indications related to iron deficiency that address unmet patient needs and we are evaluating opportunities to in-license other products that will complement our product portfolio.

We are also working to produce sufficient inventory to begin marketing Calcitriol, our generic injectable vitamin-D analogue, through contract manufacturing organizations ("CMOs") but have had delays due to difficulties they are having manufacturing Calcitriol within specification. We are working to obtain FDA approval of a prior approval supplement for a manufacturing change with our CMO. Assuming timely approval by the FDA, we currently expect Calcitriol to be available for marketing later in 2017.

Rockwell sells its dialysis concentrates in the United States and certain foreign markets under the Distribution Agreement with Baxter. Rockwell receives a pre-defined gross profit margin on its concentrate products sold pursuant to the Distribution Agreement, subject to an annual true-up. Baxter and Rockwell have each alleged breaches by the other under the Distribution Agreement that are the subject of a pending arbitration proceeding discussed in more detail under Note 4 to the condensed consolidated financial statements and "Item 3 Legal Proceedings" in the Company's Form 10-K for the year ended December 31, 2016.

Results of Operations for the Three Months Ended March 31, 2017 and March 31, 2016

Sales

Our sales in the first quarter of 2017 were $14.6 million, an increase of $1.0 million or 7.1% from the first quarter of 2016. We realized increased sales in our domestic concentrate business of $1.0 million due to higher unit volumes including $0.6 million in orders from Baxter in the first quarter of 2017 that were not from recurring customer demand from which we would expect future orders. Our international sales were $0.1 million lower than the first quarter of 2016.

Until the Triferic reimbursement issue is resolved, we expect Triferic sales will not be significant. We recognized $0.1 million in drug business revenue related to Triferic licensing agreements in the first quarter of 2017. Our drug business revenue was not otherwise significant in the first quarter of 2017 or 2016.

Gross Profit

Gross profit in the first quarter of 2017 was $2.4 million which was $0.7 million higher than in the first quarter of 2016. The increase was due to higher sales in the first quarter of 2017 compared to the first quarter of last year, coupled with lower direct costs in our drug business. The lower costs in 2017 were primarily a result of the payment of $0.3 million in value added taxes paid in 2016 related to the licensing payments received following execution of our license agreement with Wanbang Biopharmaceutical Co., Ltd. ("Wanbang").

Selling, General and Administrative Expense

Selling, general and administrative expense during the first quarter of 2017 was $6.1 million compared to $5.0 million in the first quarter of 2016. The $1.1 million increase in expense was primarily due to $0.9 million in higher legal costs relating to increased litigation involving the Company and higher costs for the 2017 annual meeting. The increase was also due to increased marketing costs for Triferic of $0.2 million compared to the first quarter of 2016. A reduction in equity compensation costs of $0.4 million was partially offset by higher compensation and benefit costs of $0.3 million.

Research and Product Development Expense

We incurred product development and research costs related to the commercial development, patent approval and regulatory approval of new products, primarily Triferic, aggregating approximately $1.2 million and $1.3 million in the first quarters of 2017 and 2016, respectively. Costs incurred in the 2017 and 2016 periods were largely related to Triferic testing for use in other indications and other presentations.

Interest and Investment Income, Net

Our net interest and investment income in the first quarter of 2017 was consistent with the first quarter of 2016.

Income Tax Expense

We recognized no income tax expense in the first quarter of 2017 compared to approximately $0.4 million in income tax expense in the first quarter of 2016, which pertained to foreign income taxes paid related to license payments received under the Wanbang license agreement.

Liquidity and Capital Resources

We believe we have adequate capital resources and substantial liquidity to pursue our business strategy. In addition to operating our concentrate business, our strategy is centered on developing, marketing and licensing high potential drug products including Triferic.

As of March 31, 2017, we had current assets of $74.8 million and net working capital of $64.4 million. We have approximately $52.7 million in cash and investments as of March 31, 2017. Our uses of cash have primarily been for research and product development, investments in inventory to support our drug product launches and for operating expenses. Operating activities used $5.2 million of cash in the first quarter of 2017, which included research and development expenses of $1.2 million and an increase of $2.3 million in inventory levels. We significantly increased our Triferic inventory over the last year in preparation for commercializing Triferic and believe we have adequate inventory to meet anticipated requirements. We have classified $2.8 million of Triferic's active pharmaceutical ingredient as non-current inventory as of March 31, 2017. Our capital expenditures were $0.2 million in the first quarter of 2017.

We anticipate that we will increase our accounts receivable as we increase our drug product sales and we may also increase inventories to a more modest degree as we commercialize Triferic and Calcitriol. We also expect to invest in research and product development throughout 2017 as we work to expand potential uses for Triferic. We believe that we have adequate capital resources to make these investments in accounts receivable, inventory and research and product development. We expect to generate positive cash flow from operations upon increased sales of our drug products.

Future research and product development spending on the Triferic platform is expected to include clinical testing in connection with peritoneal dialysis, an orphan drug indication, pediatric indications and certain other indications. Future spending on such indications is expected to be minor in relation to the Company's cash resources.

We have no long term debt as of March 31, 2017 and do not expect to incur interest expense in 2017. Capital expenditures on our current facilities are not expected to materially exceed depreciation expense.

The Company is in discussions with multiple potential business development partners to out-license rights to Rockwell's drug products outside the United States. Such licensing arrangements often include upfront fees, developmental milestone payments and royalties. If such licensing arrangements are negotiated for certain markets, we may receive such consideration in the future in addition to that which we are already entitled to receive under existing agreements. We are also considering other business development arrangements including joint ventures, partnerships and other transactions related to our products or other future products that we may develop or license.

Item 3. Quantitative and Qualitative Disclosures About Market Ris k

Interest Rate Risk

We have invested $40.8 million in available for sale securities that are invested in short term bond funds which typically yield higher returns than the interest realized in money market funds. While these funds hold bonds of short duration, their market value is affected by changes in interest rates. Increases in interest rates will reduce the market value of bonds held in these funds and we may incur unrealized losses from the reduction in market value of the fund. If we liquidate our position in these funds, those unrealized losses may result in realized losses which may or may not exceed the interest and dividends earned from those funds. However, due to the short duration of these short term bond fund portfolios, we do not believe that a hypothetical 100 basis point increase or decrease in interest rates will have a material impact on the value of our investments.

Foreign Currency Exchange Rate Risk

Our international business is conducted in U.S. dollars. It has not been our practice to hedge the risk of appreciation of the U.S. dollar against the predominant currencies of our trading partners. We have no significant foreign currency exposure to foreign supplied materials, and an immediate 10% strengthening or weakening of the U.S. dollar would not have a material impact on our shareholders' equity or net income.

Item 4. Controls and Procedure s

Disclosure Controls and Procedures

Management is responsible for establishing and maintaining effective disclosure controls and procedures, as defined under Rule 13a-15 of the Securities Exchange Act of 1934, as amended, that are designed to ensure that material information required to be disclosed in our reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required financial disclosure. In designing and evaluating the disclosure controls and procedures, we recognized that a control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected. Management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As of the end of the period covered by this report, we carried out an evaluation under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective, at the reasonable assurance level, as of the end of the period covered by this report.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in Rule 13a-15 under the Exchange Act) during the most recently completed fiscal quarter that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

Richmond/Ravich Litigation

On March 8, 2017, Rockwell filed suit in the United States District Court for the Eastern District of Michigan against Richmond Brothers, Inc. and certain related entities, David S. Richmond, Mark H. Ravich and certain related trusts, Matthew J. Curfman, and certain other individual investors (the "Richmond Shareholders"). The complaint alleges that the Richmond Shareholders failed to timely file a Schedule 13D and that they made various material misstatements in a Schedule 13G and Schedule 13D that they filed. Rockwell is seeking declaratory and injunctive relief relating to alleged violations of Section 13(d) of the Securities Exchange Act of 1934, as amended, and the rules promulgated thereunder by the Securities and Exchange Commission, including among other things, precluding the Richmond Shareholders from (i) soliciting or contacting Rockwell shareholder in connection with efforts to nominate or elect directors to Rockwell's board until 30 days after they file an appropriate and complete Schedule 13D and (ii) voting Rockwell common stock until 30 days after they file an appropriate and complete Schedule 13D. The court held a hearing on May 3, 2017 on Rockwell's request for a preliminary injunction and a decision is currently pending.

Other Proceedings

There were no material developments during the three months ended March 31, 2017 in the Baxter arbitration disclosed in the Company's Form 10-K for the year ended December 31, 2016. We are involved in certain other legal proceedings from time to time before various courts and governmental agencies. We cannot predict the final disposition of such proceedings. We regularly review legal matters and record provisions for claims that are considered probable of loss. The resolution of these pending proceedings is not expected to have a material effect on our operations or consolidated financial statements in the period in which they are resolved.

Item 6. Exhibits

See Exhibit Index following the signature page, which is incorporated herein by reference.

SIGNATURE S

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ROCKWELL MEDICAL, INC.
(Registrant)

Date: May 9, 2017

/s/ ROBERT L. CHIOINI
Robert L. Chioini
President and Chief Executive Officer
(principal executive officer) (duly authorized officer)

Date: May 9, 2017

/s/ THOMAS E. KLEMA
Thomas E. Klema
Vice President and Chief Financial Officer
(principal financial officer and principal accounting officer)

10-Q EXHIBIT INDEX

The following documents are filed as part of this report or were previously filed and incorporated herein by reference to the filing indicated. Exhibits not required for this report have been omitted. Our Commission file number is 000-23661.

Exhibit No.	Description
10.63	2017 Long Term Incentive Plan (Company's definitive proxy statement filed April 21, 2017)
10.64	Form of Performance Share Award Agreement March 2017 (Executive version)
10.65	Form of Performance Share Award Agreement March 2017 (Director version)
10.66	Form of Stock Option Agreement under 2017 Long Term Incentive Plan March 2017 (Performance/Executive version)
10.67	Form of Stock Option Agreement under 2017 Long Term Incentive Plan March 2017 (Performance/Director version)
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934
32.1	Certification pursuant to 18 U.S.C. Section 1350 and Rule 13a-14(b) of the Securities Exchange Act of 1934
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Database
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase

Exhibit 10.64

PERFORMANCE SHARE AWARD AGREEMENT

THIS AGREEMENT (the "Agreement") is made effective as of _____ (the "Grant Date"), between Rockwell Medical, Inc., a Michigan corporation (the "Company"), and the individual whose name is set forth on the signature page hereof, who is an employee of the Company or a Subsidiary of the Company (the "Employee"). Capitalized terms not otherwise defined herein shall have the same meanings as in the Amended and Restated 2007 Long Term Incentive Plan (the "Plan").

WHEREAS, the Committee desires to grant the Employee shares of Common Stock, pursuant to the terms and conditions of this Agreement (the "Award") and the Plan; and

WHEREAS, the Committee has determined that it would be in the best interest of the Company and its shareholders to grant the shares of Common Stock provided for herein to the Employee as an incentive for increased efforts during his or her employment, has approved the grant of the Award on the Grant Date and has advised the Company thereof and instructed the undersigned officer to execute this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. Grant of the Performance Shares . Subject to the terms and conditions of the Plan and the additional terms and conditions set forth in this Agreement, the Company hereby grants to the Employee _____ shares of Common Stock (hereinafter called the "Performance Shares"). The Performance Shares shall vest and become nonforfeitable in accordance with Section 2 hereof. In the event of any conflict between the Plan and this Agreement, the terms of the Plan shall control, it being understood that variations in this Agreement from terms set forth in the Plan shall not be considered to be in conflict if the Plan, whether explicitly or implicitly, permits such variations. [***If Award is in excess of limit in 7.3, add:*** This Award is not designated as a Code Section 162(m) Award in accordance with Section 7.1 of the Plan.] [***For all other Awards, add:*** The Award is designated as a Code Section 162(m) Award in accordance with Section 7.1 of the Plan.]

2. Vesting and Forfeiture .

(a) So long as the Employee continues to be employed by the Company or its Subsidiaries, the Performance Shares shall become vested and non-forfeitable upon the earliest to occur of (i) the date on which the Company reports quarterly net sales if net sales for the four consecutive calendar quarters including the quarter then being reported total at least $100,000,000, (ii) the date on which the market capitalization of the Company (based on the reported closing price of the Common Stock on the Stock Exchange and the total number of shares of the Common Stock issued and outstanding) has been greater than $600,000,000 for ten consecutive trading days, (iii) the one year anniversary of the date the Centers for Medicare & Medicaid Services assign the Company transitional add on reimbursement payment status for the drug product, Triferic®, and (iv) subject to the Committee's right to declare, pursuant to Section

9.2(c) of the Plan, that the Performance Shares shall not become immediately vested upon a Change in Control in which the successor company assumes the Award, the occurrence of a Change in Control (the earliest to occur of any of the foregoing conditions in (i) through (iv) is referred to herein as the "Vesting Date"). Notwithstanding the foregoing, if the Performance Shares vest pursuant to clauses (i), (ii) or (iii) of this Section 2(a), and such Vesting Date occurs during a trading blackout period under the Company's insider trading policy as then in effect, the Vesting Date shall instead be the second day after such trading blackout period is no longer in effect.

(b) If Employee's employment is terminated prior to the Vesting Date for any reason, Employee's right to shares of Common Stock subject to the Award that are not yet vested automatically shall terminate and be forfeited by Employee unless the Committee, in the exercise of its authority under the Plan, modifies the Vesting Date in connection with such termination.

3. Certificates .

(a) (i) Certificates evidencing the Performance Shares shall be issued by the Company and shall be registered in the Employee's name on the stock transfer books of the Company promptly after the date hereof, but shall remain in the physical custody of the Company or its designee at all times prior to the vesting of such Performance Shares pursuant to Section 2 and shall bear the legend set forth in Section 10.3(b) of the Plan. Such certificates shall also be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the Plan or the rules, regulations, and other requirements of the Securities and Exchange Commission, the Stock Exchange, any applicable Federal or state laws and the Company's Articles of Incorporation and Bylaws, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions. The Employee hereby acknowledges and agrees that the Company shall retain custody of such certificate or certificates until the restrictions imposed by Section 2 on the Common Stock granted hereunder lapse. As a condition to the receipt of this Award, the Employee shall deliver to the Company an Assignment Separate From Certificate in the form attached as Exhibit A, duly endorsed in blank, relating to the Performance Shares. No certificates shall be issued for fractional shares.

(ii) As soon as practicable following the vesting of the Performance Shares pursuant to Section 2, certificates for the Performance Shares which shall have vested shall be delivered to the Employee or to the Employee's legal guardian or representative along with the stock powers relating thereto and without the legend set forth in Section 10.3(b) of the Plan.

(b) Notwithstanding Section 3(a) of this Agreement, the shares subject to the Award may be issued by the Company in book entry form and the shares deposited with the appropriate registered book-entry custodian. If so issued, a notation to the same restrictive effect as the legend required by Section 10.3(b) of the Plan shall be placed on the transfer agent's books in connection with such shares. As soon as practicable following the vesting of the Performance Shares pursuant to Section 2, such notation shall be removed from such book entry.

4. Rights as a Shareholder . The Employee shall have no rights as a shareholder of the Company until certificates are issued or a book entry representing such shares has been made and such shares have been deposited with the appropriate registered book entry custodian.

Once issued, the Employee shall be the record owner of the Performance Shares unless or until such Performance Shares are forfeited pursuant to Section 2 hereof or is otherwise sold, and as record owner shall be entitled to all rights of a common shareholder of the Company (including, without limitation, the right to vote and to receive dividends and other distributions on the Performance Shares); provided, however, that any dividends or distributions paid on Performance Shares prior to the Vesting Date shall be reinvested on behalf of the Employee in additional Performance Shares, and such additional shares shall be subject to the same performance goals and restrictions as the other Performance Shares under the Award.

5. Transferability. The Award may not, at any time prior to the Vesting Date, be transferred, sold, assigned, pledged, hypothecated or otherwise alienated except as provided in Section 10.3 of the Plan. The Performance Shares may not, at any time prior to Vesting Date, be transferred, sold, assigned, pledged, hypothecated or otherwise alienated.

6. Employee's Employment by the Company. Nothing contained in this Agreement or the Plan (i) obligates the Company or any Subsidiary to employ the Employee in any capacity whatsoever or (ii) prohibits or restricts the Company or any Subsidiary from terminating the employment, if any, of the Employee at any time or for any reason whatsoever, with or without cause, and the Employee hereby acknowledges and agrees that neither the Company nor any other person or entity has made any representations or promises whatsoever to the Employee concerning the Employee's employment or continued employment by the Company or any Subsidiary thereof.

7. Change in Capitalization . In the event of a merger, reorganization, consolidation, recapitalization, dividend or distribution (whether in cash, shares or other property), stock split, reverse stock split, spin-off or similar transaction or other change in corporate structure affecting the Common Stock or the value thereof, prior to the time the restrictions imposed by Section 2 on the Performance Shares granted hereunder lapse, such adjustments and other substitutions shall be made to the Awards as the Committee deems equitable or appropriate. Any stock, securities or other property exchangeable for Performance Shares pursuant to such transaction shall be deposited with the Company and shall become subject to the restrictions and conditions of this Agreement to the same extent as if it had been the original property granted hereby, all pursuant to the Plan.

8. Withholding . The Company shall have the right to withhold from Employee's compensation or to require Employee to remit sufficient funds to satisfy applicable withholding for income and employment taxes upon the vesting of Performance Shares pursuant to Section 2. Subject to limitations in the Plan, Employee may, in order to fulfill the withholding obligation, tender previously-acquired shares of Common Stock that have been held at least six months, provided that the shares have an aggregate Fair Market Value sufficient to satisfy in whole or in part the applicable withholding taxes. The Company shall be authorized to take such action as may be necessary, in the opinion of the Company's counsel (including, without limitation, withholding vested Common Stock otherwise deliverable to the Employee and/or withholding amounts from any compensation or other amount owing from the Company to the Employee), to satisfy the obligations for payment of the minimum amount of any such taxes.

9. Limitation on Obligations. The Company's obligation with respect to the Performance Shares granted hereunder is limited solely to the delivery to the Employee of shares of Common Stock on the date when such shares are due to be delivered hereunder, and in no way shall the Company become obligated to pay cash in respect of such obligation. This Award shall not be secured by any specific assets of the Company or any of its Subsidiaries, nor shall any assets of the Company or any of its subsidiaries be designated as attributable or allocated to the satisfaction of the Company's obligations under this Agreement. In addition, the Company shall not be liable to the Employee for damages relating to any delay in issuing the shares or share certificates, any loss of the certificates, or any mistakes or errors in the issuance of the certificates or in the shares or certificates themselves.

10. Securities Laws. Upon the vesting of any Performance Shares, the Company may require the Employee to make or enter into such written representations, warranties and agreements as the Committee may reasonably request in order to comply with applicable securities laws or with this Agreement. The granting of the Performance Shares hereunder shall be subject to all applicable laws, rules and regulations and to such approvals of any governmental agencies as may be required.

11. Notices. Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company in care of its Secretary, and any notice to be given to the Employee shall be addressed to him or her at the address stated in the Company's employee records. By a notice given pursuant to this Section 11, either party may hereafter designate a different address for notices to be given to the party. Any notice that is required to be given to the Employee shall, if the Employee is then deceased, be given to the Employee's personal representative if such representative has previously informed the Company of his or her status and address by written notice under this Section 11. Any notice shall have been deemed duly given when enclosed in a properly sealed envelope or wrapper addressed as aforesaid, deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service or when delivered personally to the Secretary or Employee.

12. Governing Law. The laws of the State of Michigan shall govern the interpretation, validity and performance of the terms of this Agreement regardless of the law that might be applied under principles of conflicts of laws.

13. Amendment. Subject to Sections 2 and 7 of this Agreement and Section 10.6 of the Plan, this Agreement may be amended only by a writing executed by the parties hereto if such amendment would adversely affect Employee. Any such amendment shall specifically state that it is amending this Agreement.

14. Clawback Policy. This Agreement, the Award and any economic benefits recognized by Employee in connection with the Award are subject to the Company's Clawback Policy as provided in the Company's Principles of Corporate Governance from time to time.

15. Signature in Counterparts. This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Grant Date.

EMPLOYEE

-

-
[Name of Employee]

ROCKWELL MEDICAL, INC.

By:_____
Name:
Title:

ASSIGNMENT SEPARATE FROM CERTIFICATE

FOR VALUE RECEIVED, _____ hereby sells, assigns and transfers unto _____ _____shares of the Common Stock of Rockwell Medical, Inc. standing in the name of the undersigned on the books of said Rockwell Medical, Inc. represented by Certificate No. _____ herewith and do hereby irrevocably constitute and appoint _____ his or her duly-appointed agent and attorney to transfer the said stock on the books of Rockwell Medical, Inc. with full power of substitution in the premises.

Dated: _____, ____

_____
[signature]

_____
[print name]

In presence of

_____

PERFORMANCE SHARE AWARD AGREEMENT

THIS AGREEMENT (the "Agreement") is made effective as of _____ (the "Grant Date"), between Rockwell Medical, Inc., a Michigan corporation (the "Company"), and the individual whose name is set forth on the signature page hereof, who is a nonemployee director of the Company (the "Director"). Capitalized terms not otherwise defined herein shall have the same meanings as in the Amended and Restated 2007 Long Term Incentive Plan (the "Plan").

WHEREAS, Director is a member of the Board of Directors of the Company;

WHEREAS, the Committee desires to grant the Director shares of Common Stock pursuant to the terms and conditions of this Agreement (the "Award") and the Plan (the terms of which are hereby incorporated by reference and made a part of this Agreement); and

WHEREAS, the Committee has determined that it would be in the best interest of the Company and its shareholders to grant the shares of Common Stock provided for herein to the Director as compensation for the Director's services and as an incentive for increased efforts during his or her service, has approved the grant of the Award on the Grant Date and has advised the Company thereof and instructed the undersigned officer to execute this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. Grant of the Performance Shares . Subject to the terms and conditions of the Plan and the additional terms and conditions set forth in this Agreement, the Company hereby grants to the Director ____ shares of Common Stock (hereinafter called the "Performance Shares"). The Performance Shares shall vest and become nonforfeitable in accordance with Section 2 hereof. In the event of any conflict between the Plan and this Agreement, the terms of the Plan shall control, it being understood that variations in this Agreement from terms set forth in the Plan shall not be considered to be in conflict if the Plan, whether explicitly or implicitly, permits such variations.

2. Vesting and Forfeiture .

(a) So long as the Director continues to be a member of the Company's Board of Directors, the Performance Shares shall become vested and non-forfeitable upon the earliest to occur of (i) the date on which the Company reports quarterly net sales if net sales for the four consecutive calendar quarters including the quarter then being reported total at least $100,000,000, (ii) the date on which the market capitalization of the Company (based on the reported closing price of the Common Stock on the Stock Exchange and the total number of shares of the Common Stock issued and outstanding) has been greater than $600,000,000 for ten consecutive trading days, (iii) the one year anniversary of the date the Centers for Medicare & Medicaid Services assign the Company transitional add on reimbursement payment status for the drug product, Triferic® and (iv) subject to the Committee's right to declare, pursuant to Section

9.2(c) of the Plan, that the Performance Shares shall not become immediately vested upon a Change in Control in which the successor company assumes the Award, the occurrence of a Change in Control (the earliest to occur of any of the foregoing conditions in (i) through (iv) is referred to herein as the "Vesting Date"). Notwithstanding the foregoing, if the Performance Shares vest pursuant to clauses (i), (ii) or (iii) of this Section 2(a), and such Vesting Date occurs during a trading blackout period under the Company's insider trading policy as then in effect, the Vesting Date shall instead be the second day after such trading blackout period is no longer in effect.

(b) If Director ceases to be a member of the Company's Board of Directors prior to the Vesting Date for any reason, Director's right to shares of Common Stock subject to the Award that are not yet vested automatically shall terminate and be forfeited by Director unless the Committee, in the exercise of its authority under the Plan, modifies the Vesting Date in connection with such termination.

3. Certificates .

(a) (i) Certificates evidencing the Performance Shares shall be issued by the Company and shall be registered in the Director's name on the stock transfer books of the Company promptly after the date hereof, but shall remain in the physical custody of the Company or its designee at all times prior to the vesting of such Performance Shares pursuant to Section 2 and shall bear the legend set forth in Section 10.3(b) of the Plan. Such certificates shall also be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the Plan or the rules, regulations, and other requirements of the Securities and Exchange Commission, the Stock Exchange, any applicable Federal or state laws and the Company's Articles of Incorporation and Bylaws, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions. The Director hereby acknowledges and agrees that the Company shall retain custody of such certificate or certificates until the restrictions imposed by Section 2 on the Common Stock granted hereunder lapse. As a condition to the receipt of this Award, the Director shall deliver to the Company an Assignment Separate From Certificate in the form attached as Exhibit A, duly endorsed in blank, relating to the Performance Shares. No certificates shall be issued for fractional shares.

(ii) As soon as practicable following the vesting of the Performance Shares pursuant to Section 2, certificates for the Performance Shares which shall have vested shall be delivered to the Director or to the Director's legal guardian or representative along with the stock powers relating thereto and without the legend set forth in Section 10.3(b) of the Plan.

(b) Notwithstanding Section 3(a) of this Agreement, the shares subject to the Award may be issued by the Company in book entry form and the shares deposited with the appropriate registered book-entry custodian. If so issued, a notation to the same restrictive effect as the legend required by Section 10.3(b) of the Plan shall be placed on the transfer agent's books in connection with such shares. As soon as practicable following the vesting of the Performance Shares pursuant to Section 2, such notation shall be removed from such book entry.

4. Rights as a Shareholder . The Director shall have no rights as a shareholder of the Company until certificates are issued or a book entry representing such shares has been made

and such shares have been deposited with the appropriate registered book entry custodian. Once issued, the Director shall be the record owner of the Performance Shares unless or until such Performance Shares are forfeited pursuant to Section 2 hereof or is otherwise sold, and as record owner shall be entitled to all rights of a common shareholder of the Company (including, without limitation, the right to vote and to receive dividends and other distributions on the Performance Shares); provided, however, that any dividends or distributions paid on Performance Shares prior to the Vesting Date shall be reinvested on behalf of the Director in additional Performance Shares, and such additional shares shall be subject to the same performance goals and restrictions as the other Performance Shares under the Award.

5. Transferability. The Award may not, at any time prior to the Vesting Date, be transferred, sold, assigned, pledged, hypothecated or otherwise alienated except as provided in Section 10.3 of the Plan. The Performance Shares may not, at any time prior to Vesting Date, be transferred, sold, assigned, pledged, hypothecated or otherwise alienated.

6. Director's Service to the Company. Nothing contained in this Agreement or in any other agreement entered into by the Company and the Director guarantees that the Director will continue to serve as a member of the Board for any specified period of time.

7. Change in Capitalization. In the event of a merger, reorganization, consolidation, recapitalization, dividend or distribution (whether in cash, shares or other property), stock split, reverse stock split, spin-off or similar transaction or other change in corporate structure affecting the Common Stock or the value thereof, prior to the time the restrictions imposed by Section 2 on the Performance Shares granted hereunder lapse, such adjustments and other substitutions shall be made to the Performance Shares as the Committee deems equitable or appropriate. Any stock, securities or other property exchangeable for Performance Shares pursuant to such transaction shall be deposited with the Company and shall become subject to the restrictions and conditions of this Agreement to the same extent as if it had been the original property granted hereby, all pursuant to the Plan.

8. Withholding. Director shall have full responsibility, and the Company shall have no responsibility, for satisfying any liability for any federal, state or local income or other taxes required by law to be paid with respect to such Performance Shares, including upon the vesting of the Performance Shares. *In connection with the foregoing, Director may, at his or her option, elect to recognize the fair value of the Performance Shares upon the Grant Date pursuant to Section 83 of the Internal Revenue Code of 1986, as amended. Director is advised to seek his or her own tax counsel regarding the taxation of the grant of Performance Shares made hereunder.*

9. Limitation on Obligations. The Company's obligation with respect to the Performance Shares granted hereunder is limited solely to the delivery to the Director of shares of Common Stock on the date when such shares are due to be delivered hereunder, and in no way shall the Company become obligated to pay cash in respect of such obligation. This Award shall not be secured by any specific assets of the Company or any of its Subsidiaries, nor shall any assets of the Company or any of its subsidiaries be designated as attributable or allocated to the satisfaction of the Company's obligations under this Agreement. In addition, the Company shall not be liable to the Director for damages relating to any delay in issuing the shares or share

certificates, any loss of the certificates, or any mistakes or errors in the issuance of the certificates or in the shares or certificates themselves.

10. Securities Laws. Upon the vesting of any Performance Shares, the Company may require the Director to make or enter into such written representations, warranties and agreements as the Committee may reasonably request in order to comply with applicable securities laws or with this Agreement. The granting of the Performance Shares hereunder shall be subject to all applicable laws, rules and regulations and to such approvals of any governmental agencies as may be required.

11. Notices. Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company in care of its Secretary, and any notice to be given to the Director shall be addressed to him or her at the address stated in the Company's records. By a notice given pursuant to this Section 11, either party may hereafter designate a different address for notices to be given to the party. Any notice that is required to be given to the Director shall, if the Director is then deceased, be given to the Director's personal representative if such representative has previously informed the Company of his or her status and address by written notice under this Section 11. Any notice shall have been deemed duly given when enclosed in a properly sealed envelope or wrapper addressed as aforesaid, deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service or when delivered personally to the Secretary or Director.

12. Governing Law. The laws of the State of Michigan shall govern the interpretation, validity and performance of the terms of this Agreement regardless of the law that might be applied under principles of conflicts of laws.

13. Amendment. Subject to Sections 2 and 7 of this Agreement and Section 10.6 of the Plan, this Agreement may be amended only by a writing executed by the parties hereto if such amendment would adversely affect Director. Any such amendment shall specifically state that it is amending this Agreement.

14. Signature in Counterparts. This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

[Signatures on next page]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Grant Date.

DIRECTOR

-

-
[Name of Director]

ROCKWELL MEDICAL, INC.

By:_____
Name:
Title:

ASSIGNMENT SEPARATE FROM CERTIFICATE

FOR VALUE RECEIVED, _____ hereby sells, assigns and transfers unto _____ _____shares of the Common Stock of Rockwell Medical, Inc. standing in the name of the undersigned on the books of said Rockwell Medical, Inc. represented by Certificate No. _____ herewith and do hereby irrevocably constitute and appoint _____ his or her duly-appointed agent and attorney to transfer the said stock on the books of Rockwell Medical, Inc. with full power of substitution in the premises.

Dated: _____, ____

_____
[signature]

_____
[print name]

In presence of

_____

Exhibit 10.66

STOCK OPTION AGREEMENT

THIS AGREEMENT, dated as of _____ (the "Grant Date"), is made by and between Rockwell Medical, Inc., a Michigan corporation (the "Company"), and the individual whose name is set forth on the signature page hereof, who is an employee of the Company or a Subsidiary of the Company (the "Optionee"). Any capitalized terms used herein but not otherwise defined shall have the meaning set forth in the Company's 2017 Long Term Incentive Plan (the "Plan").

WHEREAS, the Company wishes to afford the Optionee the opportunity to purchase shares of its common stock (the "Common Stock") pursuant to the terms and conditions of this Agreement and the Plan, the terms of which are hereby incorporated by reference and made a part of this Agreement; and

WHEREAS, the Committee has determined that it would be in the best interest of the Company and its shareholders to grant the Option provided for herein to the Optionee as an incentive for increased efforts during his or her term of office with the Company or its Subsidiaries, has approved the grant of the Option on the Grant Date and has advised the Company thereof and instructed the undersigned officer to issue said Option; and

WHEREAS, the grant of the Option made pursuant to this Agreement is contingent upon approval of the Plan by the shareholders of the Company;

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto do hereby agree as follows:

ARTICLE I
OPTION GRANT

1.1 Grant of Options . For good and valuable consideration, on and as of the date hereof, the Company irrevocably grants to the Optionee a Nonqualified Stock Option to purchase _____ shares of Common Stock upon the terms and conditions set forth in this Agreement (the "Option"). ***[For March 2017 grants only, add:*** Notwithstanding any other provision in this Agreement to the contrary, the grant of the Option made pursuant to this Agreement is contingent upon approval of the Plan by the shareholders of the Company on or before February 28, 2018. If such approval is not received, this Option shall not be exercisable and shall be null and void.] [***If Award is in excess of limit in 7.3, add:*** The Option is not intended to be deemed or designated as a Code Section 162(m) Award.]

1.2 Exercise Price . Subject to Section 2.1, the exercise price of the shares of Common Stock covered by the Option shall be $_____ per share without commission or other charge (which is the Fair Market Value per share of the Common Stock on the Grant Date).

ARTICLE II
ADJUSTMENTS

2.1 Adjustments to Option . In the event of a merger, reorganization, consolidation, recapitalization, dividend or distribution (whether in cash, shares or other property), stock split, reverse stock split, spin-off or similar transaction or other change in corporate structure affecting the Common Stock or the value thereof, such adjustments and other substitutions shall be made to the Option as the Committee, in its sole discretion, deems equitable or appropriate, including adjustments in the number, class, kind and exercise price of securities subject to the Option (including, if the Committee deems appropriate, the substitution of similar options to purchase the shares of another company, as the Committee may determine to be appropriate in its sole discretion).

ARTICLE III
PERIOD OF EXERCISABILITY

3.1 Exercisability of Option .

(a) So long as the Optionee continues to be employed by the Company or any of its Subsidiaries, the Option shall become exercisable in full upon the earliest to occur of (i) the date on which the Company reports quarterly net sales if net sales for the four consecutive calendar quarters including the quarter then being reported total at least $100,000,000, (ii) the date on which the market capitalization of the Company (based on the reported closing price of the Common Stock on the Stock Exchange and the total number of shares of the Common Stock issued and outstanding) has been greater than $600,000,000 for ten consecutive trading days, (iii) the one year anniversary of the date the Centers for Medicare & Medicaid Services assign the Company transitional add on reimbursement payment status for the drug product, Triferic ® (the "Vesting Date"). Notwithstanding the foregoing, if the Vesting Date occurs during a trading blackout period under the Company's insider trading policy as then in effect, the Vesting Date shall instead be the second day after such trading blackout period is no longer in effect.

(b) The Option shall also become exercisable in full immediately prior to a Change in Control Termination of the Optionee; provided, however, that this Section 3.1(b) is subject to the Committee's rights, in the event of a Change in Control, to cash out the Option pursuant to Section 9.2(c) of the Plan.

3.2 Expiration of Option . The Option may not be exercised after the first to occur of the following events and shall in no event be exercisable after the tenth anniversary of the Grant Date:

(a) If, prior to the date when the Option first becomes exercisable, Optionee's employment terminates for any reason, Optionee's right to exercise the Option shall terminate and all rights thereunder shall cease;

(b) If, on or after the date when the Option first becomes exercisable, Optionee's employment terminates for any reason other than death or Disability, Optionee shall have the right, within three months after termination of employment to exercise the Option to the extent that it was or became exercisable on the date of Optionee's termination of employment, subject to any other limitation on the exercise of the Option in effect on the date of exercise; or

(c) If Optionee's employment terminates due to death or Disability before the tenth anniversary of the Grant Date, Optionee or the person or persons to whom the Option shall have been transferred by will or the laws of descent and distribution shall have the right within the exercise period specified in this Agreement to exercise the Option to the extent that it was exercisable and unexercised on the Optionee's date of death or Disability, subject to any other limitation on exercise in effect on the date of exercise.

3.3 Committee Discretion . The Committee, at the time of Optionee's termination of employment, subject to the limitations set forth in the Plan, may accelerate Optionee's right to exercise the Option or, subject to Code Section 409A, may extend the Option term.

ARTICLE IV
EXERCISE OF OPTION

4.1 Person Eligible to Exercise . During the lifetime of the Optionee, only the Optionee may exercise the Option or any portion thereof. After the death of the Optionee, any exercisable portion of an Option may, prior to the time when an Option becomes unexercisable under Sections 3.1 or 3.2, be exercised by his or her personal representative or by any person empowered to do so under the Optionee's will or under the then applicable laws of descent and distribution.

4.2 Partial Exercise . Any exercisable portion of an Option or the entire Option, if then wholly exercisable, may be exercised in whole or in part at any time prior to the time when the Option or portion thereof becomes unexercisable under Sections 3.1 or 3.2 of this Agreement; provided, however, that any partial exercise shall be for whole shares of Common Stock only.

4.3 Manner of Exercise . The exercise price for shares of Common Stock to be acquired upon exercise of the Option shall be paid in full in any manner permitted by the Plan.

4.4 Conditions to Issuance of Stock . The Company shall not be required to issue or deliver any stock purchased upon the exercise of an Option or portion thereof prior to fulfillment of all of the following conditions:

(a) The obtaining of approval or other clearance from any state or federal governmental agency or Stock Exchange which the Committee shall, in its reasonable and good faith discretion, determine to be necessary or advisable; and

(b) The receipt by the Company of such assurance of compliance with federal and state securities laws as it may deem necessary or advisable.

4.5 Rights as Stockholder . The holder of the Option shall not be, nor have any of the rights or privileges of, a shareholder of the Company in respect of any shares purchasable upon the exercise of the Option or any portion thereof unless and until a certificate or certificates representing such shares shall have been issued by the Company to such holder or a book entry representing such shares has been made and such shares have been deposited with the appropriate registered book-entry custodian. The Company shall not be liable to the Optionee for damages relating to any delay in issuing shares or a stock certificate to Optionee, any loss of a certificate, or any mistakes or errors in the issuance of shares or a certificate to Optionee.

4.6 Withholding . The Company shall have the right to withhold from Optionee's compensation or to require Optionee to remit sufficient funds to satisfy applicable withholding for income and employment taxes upon the exercise of an Option. Subject to the limitations in Section 10.5 of the Plan, Optionee may, in order to fulfill the withholding obligation, make payment to the Company in any manner permitted under Section 10.5 of the Plan. The Company shall not withhold from the exercise of an Option more shares than are necessary to meet the established tax withholding requirements of federal, state and local obligations and pay the exercise price of the Option. The Company shall be authorized to take any such action as may be necessary, in the opinion of the Company's counsel, to satisfy the Company's obligations for payment of such taxes.

ARTICLE V
MISCELLANEOUS

5.1 Option Not Transferable . Neither the Option nor any interest or right therein or part thereof shall be liable for the debts, contracts or engagements of the Optionee or his or her successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect; provided, however, that this Section 5.1 shall not prevent transfers by will or by the applicable laws of descent and distribution, or transfers to which the Committee has given prior written consent subject to the conditions set forth in Section 10.3(a) of the Plan.

5.2 Notices . Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company in care of its Secretary, and any notice to be given to the Optionee shall be addressed to him or her at the address stated in the Company's employee records. By a notice given pursuant to this Section 5.2, either party may hereafter designate a different address for notices to be given to the party. Any notice, which is required to be given to the Optionee, shall, if the Optionee is then deceased, be given to the Optionee's personal representative if such representative has previously informed the Company of his or her status and address by written notice under this Section 5.2. Any notice shall have been deemed duly given when enclosed in a properly sealed envelope or wrapper addressed as aforesaid, deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service or when delivered personally to the Secretary or Optionee.

5.3 Amendment . Subject to Sections 2.1 and 3.3 of this Agreement and the terms of the Plan, this Agreement may be amended only by a writing executed by the parties hereto if such amendment would adversely affect Optionee. Any such amendment shall specifically state that it is amending this Agreement.

5.4 Governing Law . The laws of the State of Michigan shall govern the interpretation, validity and performance of the terms of this Agreement regardless of the law that might be applied under principles of conflicts of laws.

5.5 No Guarantee of Employment . Nothing in this Agreement or in the Plan shall confer upon the Optionee any right to continue in the employ of the Company or any Subsidiary or shall interfere with or restrict in any way the rights of the Company and its Subsidiaries, which are hereby expressly reserved, to terminate the employment of the Optionee at any time for any reason whatsoever, with or without cause, subject to the applicable provisions of, if any, the Optionee's employment agreement with the Company.

5.6 Plan Terms Control . In the event of any conflict between the Plan and this Agreement, the terms of the Plan shall control, it being understood that variations in this Agreement from terms set forth in the Plan shall not be considered to be in conflict if the Plan permits such variations.

5.7 Clawback Policy . This Agreement, the Option and any economic benefits recognized by Optionee in connection with the Option are subject to the Company's Clawback Policy as provided in the Company's Principles of Corporate Governance from time to time.

[Signatures on next page.]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Grant Date.

ROCKWELL MEDICAL, INC.

By:_____

Name:
Title:

OPTIONEE:

_____
[Name]

STOCK OPTION AGREEMENT

THIS AGREEMENT, dated as of _____ (the "Grant Date"), is made by and between Rockwell Medical, Inc., a Michigan corporation (the "Company"), and the individual whose name is set forth on the signature page hereof, who is a Director of the Company (the "Optionee"). Any capitalized terms used herein but not otherwise defined shall have the meaning set forth in the Company's 2017 Long Term Incentive Plan (the "Plan").

WHEREAS, the Company wishes to afford the Optionee the opportunity to purchase shares of its common stock (the "Common Stock") pursuant to the terms and conditions of this Agreement and the Plan, the terms of which are hereby incorporated by reference and made a part of this Agreement; and

WHEREAS, the Committee has determined that it would be in the best interest of the Company and its shareholders to grant the Option provided for herein to the Optionee as an incentive for increased efforts during his or her term of office with the Company or its Subsidiaries, has approved the grant of the Option on the Grant Date and has advised the Company thereof and instructed the undersigned officer to issue said Option and;

WHEREAS, the grant of the Option made pursuant to this Agreement is contingent upon approval of the Plan by the shareholders of the Company at the Company's 2017 annual shareholders meeting;

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto do hereby agree as follows:

ARTICLE I
OPTION GRANT

1.1. Grant of Options . For good and valuable consideration, on and as of the date hereof, the Company irrevocably grants to the Optionee a Nonqualified Stock Option to purchase _____ shares of Common Stock upon the terms and conditions set forth in this Agreement (the "Option"). ***[For March 2017 grants only, add:*** Notwithstanding any other provision in this Agreement to the contrary, the grant of the Option made pursuant to this Agreement is contingent upon approval of the Plan by the shareholders of the Company on or before February 28, 2018. If such approval is not received, this Option shall not be exercisable and shall be null and void.]

1.2. Exercise Price . Subject to Section 2.1, the exercise price of the shares of Common Stock covered by the Option shall be $_____ per share without commission or other charge (which is the Fair Market Value per share of the Common Stock on the Grant Date).

ARTICLE II
ADJUSTMENTS

2.1. Adjustments to Option . In the event of a merger, reorganization, consolidation, recapitalization, dividend or distribution (whether in cash, shares or other property), stock split, reverse stock split, spin-off or similar transaction or other change in corporate structure affecting the Common Stock or the value thereof, such adjustments and other substitutions shall be made to the Option as the Committee, in its sole discretion, deems equitable or appropriate, including adjustments in the number, class, kind and exercise price of securities subject to the Option (including, if the Committee deems appropriate, the substitution of similar options to purchase the shares of another company, as the Committee may determine to be appropriate in its sole discretion).

ARTICLE III
PERIOD OF EXERCISABILITY

3.1. Exercisability of Option .

(a) So long as the Optionee continues to be employed by the Company or any of its Subsidiaries, the Option shall become exercisable in full upon the earliest to occur of (i) the date on which the Company reports quarterly net sales if net sales for the four consecutive calendar quarters including the quarter then being reported total at least $100,000,000, (ii) the date on which the market capitalization of the Company (based on the reported closing price of the Common Stock on the Stock Exchange and the total number of shares of the Common Stock issued and outstanding) has been greater than $600,000,000 for ten consecutive trading days, (iii) the one year anniversary of the date the Centers for Medicare & Medicaid Services assign the Company transitional add on reimbursement payment status for the drug product, Triferic ® (the "Vesting Date"). Notwithstanding the foregoing, if the Vesting Date occurs during a trading blackout period under the Company's insider trading policy as then in effect, the Vesting Date shall instead be the second day after such trading blackout period is no longer in effect.

(b) The Option shall also become exercisable in full immediately prior to a Change in Control; provided, however, that this Section 3.1(b) is subject to the Committee's rights, in the event of a Change in Control, to cash out the Option pursuant to Section 9.2(c) of the Plan.

3.2 Expiration of Option . The Option may not be exercised after the first to occur of the following events and shall in no event be exercisable after the tenth anniversary of the Grant Date:

(a) If, prior to the date when the Option first becomes exercisable, Optionee ceases to be a Director for any reason, Optionee's right to exercise the Option shall terminate and all rights thereunder shall cease;

(b) If, on or after the date when the Option first becomes exercisable, Optionee ceases to be a Director for any reason other than death or Disability, Optionee shall have the right, within three months after termination of employment to exercise the Option to the extent that it was or became exercisable on the date of Optionee's termination of employment, subject to any other limitation on the exercise of the Option in effect on the date of exercise; or

(c) If Optionee ceases to be a Director due to death or Disability before the tenth anniversary of the Grant Date, Optionee or the person or persons to whom the Option shall have been transferred by will or the laws of descent and distribution shall have the right within the exercise period specified in this Agreement to exercise the Option to the extent that it was exercisable and unexercised on the Optionee's date of death or Disability, subject to any other limitation on exercise in effect on the date of exercise.

3.3. Committee Discretion . The Committee, at the time of Optionee's termination of employment, subject to the limitations set forth in the Plan, may accelerate Optionee's right to exercise the Option or, subject to Code Section 409A, may extend the Option term.

ARTICLE IV
EXERCISE OF OPTION

4.1. Person Eligible to Exercise . During the lifetime of the Optionee, only the Optionee may exercise the Option or any portion thereof. After the death of the Optionee, any exercisable portion of an Option may, prior to the time when an Option becomes unexercisable under Sections 3.1 or 3.2, be exercised by his or her personal representative or by any person empowered to do so under the Optionee's will or under the then applicable laws of descent and distribution.

4.2. Partial Exercise . Any exercisable portion of an Option or the entire Option, if then wholly exercisable, may be exercised in whole or in part at any time prior to the time when the Option or portion thereof becomes unexercisable under Sections 3.1 or 3.2 of this Agreement; provided, however, that any partial exercise shall be for whole shares of Common Stock only.

4.3. Manner of Exercise . The exercise price for shares of Common Stock to be acquired upon exercise of the Option shall be paid in full in any manner permitted by the Plan.

4.4. Conditions to Issuance of Stock . The Company shall not be required to issue or deliver any stock purchased upon the exercise of an Option or portion thereof prior to fulfillment of all of the following conditions:

(a) The obtaining of approval or other clearance from any state or federal governmental agency or Stock Exchange which the Committee shall, in its reasonable and good faith discretion, determine to be necessary or advisable; and

(b) The receipt by the Company of such assurance of compliance with federal and state securities laws as it may deem necessary or advisable.

4.5. Rights as Stockholder . The holder of the Option shall not be, nor have any of the rights or privileges of, a shareholder of the Company in respect of any shares purchasable upon the exercise of the Option or any portion thereof unless and until a certificate or certificates representing such shares shall have been issued by the Company to such holder or a book entry representing such shares has been made and such shares have been deposited with the appropriate registered book-entry custodian. The Company shall not be liable to the Optionee

for damages relating to any delay in issuing shares or a stock certificate to Optionee, any loss of a certificate, or any mistakes or errors in the issuance of shares or a certificate to Optionee.

4.6. Withholding . To the extent applicable, the Company shall have the right to withhold from Optionee's compensation or to require Optionee to remit sufficient funds to satisfy applicable withholding tax obligations upon the exercise of an Option. Subject to the limitations in Section 10.5 of the Plan, Optionee may, in order to fulfill the withholding obligation, make payment to the Company in any manner permitted under Section 10.5 of the Plan. The Company shall not withhold from the exercise of an Option more shares than are necessary to meet the established tax withholding requirements of federal, state and local obligations and pay the exercise price of the Option. The Company shall be authorized to take any such action as may be necessary, in the opinion of the Company's counsel, to satisfy the Company's obligations for payment of such taxes.

ARTICLE V
MISCELLANEOUS

5.1. Option Not Transferable . Neither the Option nor any interest or right therein or part thereof shall be liable for the debts, contracts or engagements of the Optionee or his or her successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect; provided, however, that this Section 5.1 shall not prevent transfers by will or by the applicable laws of descent and distribution, or transfers to which the Committee has given prior written consent subject to the conditions set forth in Section 10.3(a) of the Plan.

5.2. Notices . Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company in care of its Secretary, and any notice to be given to the Optionee shall be addressed to him or her at the address stated in the Company's records. By a notice given pursuant to this Section 5.2, either party may hereafter designate a different address for notices to be given to the party. Any notice, which is required to be given to the Optionee, shall, if the Optionee is then deceased, be given to the Optionee's personal representative if such representative has previously informed the Company of his or her status and address by written notice under this Section 5.2. Any notice shall have been deemed duly given when enclosed in a properly sealed envelope or wrapper addressed as aforesaid, deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service or when delivered personally to the Secretary or Optionee.

5.3. Amendment . Subject to Sections 2.1 and 3.3 of this Agreement and the terms of the Plan, this Agreement may be amended only by a writing executed by the parties hereto if such amendment would adversely affect Optionee. Any such amendment shall specifically state that it is amending this Agreement.

5.4. Governing Law . The laws of the State of Michigan shall govern the interpretation, validity and performance of the terms of this Agreement regardless of the law that might be applied under principles of conflicts of laws.

5.5. No Guarantee of Continuation . Nothing in this Agreement or in the Plan shall confer upon the Optionee any right to continue as a Director.

5.6 Plan Terms Control . In the event of any conflict between the Plan and this Agreement, the terms of the Plan shall control, it being understood that variations in this Agreement from terms set forth in the Plan shall not be considered to be in conflict if the Plan permits such variations.

[Signatures on next page.]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Grant Date.

ROCKWELL MEDICAL, INC.

By:_____

Name:
Title:

OPTIONEE:

_____
[Name]

Exhibit 31.1

CERTIFICATION PURSUANT TO RULE 13a-14(a)

I, Robert L. Chioini, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Rockwell Medical, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2017

/s/ Robert L. Chioini
Robert L. Chioini
President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO RULE 13a-14(a)

I, Thomas E. Klema, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Rockwell Medical, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2017

/s/ Thomas E. Klema
Thomas E. Klema
Vice President and Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
AND CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Rockwell Medical, Inc. (the "Company") on Form 10-Q for the quarter ending March 31, 2017 as filed with the Securities and Exchange Commission on the date hereof (the "Periodic Report"), I, Robert L. Chioini, Chief Executive Officer of the Company and I, Thomas E. Klema, Chief Financial Officer of the Company, each certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

1. the Periodic Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. the information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 9, 2017

/s/ Robert L. Chioini
Robert L. Chioini
President and Chief Executive Officer

Dated: May 9, 2017

/s/ Thomas E. Klema
Thomas E. Klema
Vice President and Chief Financial Officer