

SHAREHOLDER MEETINGS

MiMedx is a Florida corporation, and Florida law requires it to hold annual meetings. One of the chief orders of business at each MiMedx annual meeting is to elect directors to the Board of Directors. The terms of MiMedx Directors are “staggered,” meaning that at each annual meeting a third of the Board seats become open and must be filled.

MiMedx has not held an annual meeting for nearly two years. If a Florida corporation has not held a shareholder meeting within the previous 13 months, any shareholder has the legal right to demand that one be held.

MiMedx claims it has not held an annual meeting because it is unable to provide the financial information required by the SEC in connection with the solicitation of proxies. But, Delaware law (which Florida generally follows) is clear that the inability to provide the information required by the proxy rules does not excuse a company from holding an annual meeting. Also, the SEC allows companies to solicit proxies without the required financial information if the company applies for and receives an exemption on valid grounds. The City of Hialeah Employees’ Retirement System, a MiMedx shareholder, has filed a lawsuit in Florida to force MiMedx to hold an annual meeting. It has asked for a shareholder meeting to be held on May 20th, 2019. Because at that point, it will have been over two years since the Company last held a shareholder meeting, two-thirds of the Board seats will be open.

Right now, there are ten seats on the Board of Directors, and eight of them are filled. (Bill Taylor and I had the other two seats before we resigned.) We expect that if a Board meeting is held on or after May 20th, four seats will remain occupied by existing Board members and the other six seats will need to be filled. The six seats that will need to be filled are the ones currently occupied by Bruce Hack, Joe Bleser, Terry Dewberry, and Larry Papason, and the two that used to be occupied by Bill Taylor and me. The Company presumably will nominate six individuals of its liking to fill those positions. Shareholders have the right to, and will likely nominate alternative candidates.

Fortunately, many of the larger shareholders of MiMedx are individuals that have known each other for almost ten years. Many of them have invested in other corporate entities together. Also, those shareholders have brought numerous other shareholders to the Company over the years. Many have invested both their own personal funds and family funds in MiMedx. If one were to total up those shareholders, you would find that approximately 50% of our shareholders fall into that category. In addition, there is an investment firm, Okumus Management, that owns approximately 10% of the Company, and several others that own significant percentages.

When the shareholder vote for this shareholder meeting is tabulated, I expect that as many as 70% of the shareholders will reject the Company’s candidates and vote instead for alternative candidates nominated by shareholders. This will be a substantial number of individuals and entities who vote for the shareholder slate of directors. If the shareholder candidates are elected on May 20th (or another date set by the court), I expect they will install some new executive managers who will be very beneficial to the Company’s future progress.



Parker H. “Pete” Petit