

## **POLICY WITH RESPECT TO RELATED PARTY TRANSACTIONS**

### **A. Introduction.**

The Company recognizes that related party transactions (as defined below) can present potential or actual conflicts of interest and create the appearance that Company decisions are based on considerations other than the best interests of the Company and its shareholders. Accordingly, as a general matter, it is the Company's preference to avoid related party transactions. Nevertheless, the Company recognizes that there are situations where related party transactions may be in, or may not be inconsistent with, the best interests of the Company and its shareholders, including but not limited to situations where the Company may obtain products or services of a nature, quantity or quality, or on other terms, that are not readily available from alternative sources or when the Company provides products or services to related parties (as defined below) on an arm's length basis on terms comparable to those provided to unrelated third parties or on terms comparable to those provided to employees generally. Therefore, the Company has adopted the procedures set forth below for the review, approval or ratification of related party transactions.

Under this policy, any "Related Party Transaction" shall be consummated or shall continue only if the Audit Committee has approved or ratified such transaction and if the transaction is on terms comparable to those that could be obtained in arm's length dealings with an unrelated third party.

For purposes this policy, a "Related Party" is:

1. any Section 16(b) executive officer or director of the Company,
2. any person who is an immediate family member of such an executive officer or director,
3. any shareholder owning in excess of five percent of the Company (or its controlled affiliates) and their immediate family members, or
4. any entity which is owned or controlled by someone listed in 1, 2 or 3 above, or an entity in which someone listed in 1, 2 or 3 above has a substantial ownership interest or control of such entity.

For purposes this policy, a "Related Party Transaction" is a transaction in which the Company participates and in which any Related Party has a direct or indirect material interest other than:

1. transactions available to all employees or customers generally,
2. transactions involving less than \$120,000 when aggregated with all similar transactions occurring in a single fiscal year, or
3. indebtedness incurred in the ordinary course of business.

For purposes this policy, "immediate family member" includes any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law of such person, and any person (other than a tenant or employee) sharing the household of such security holder.

### **B. Audit Committee Approval**

Any Related Party Transaction proposed to be entered into by the Company must be reported to the Company's General Counsel and shall be reviewed and approved by the Audit Committee of the Board (the "Committee") in accordance with the terms of this Policy, prior to effectiveness or consummation of the transaction, whenever practicable. If the General Counsel determines that advance approval of a

Related Party Transaction is not practicable under the circumstances, the Committee shall review and, in its discretion, may ratify the Related Party Transaction at the next meeting of the Committee, or at the next meeting following the date that the Related Party Transaction comes to the attention of the General Counsel; *provided, however*, that the General Counsel may present a Related Party Transaction arising in the time period between meetings of the Committee to the Chair of the Committee, who shall review and may approve the Related Party Transaction, subject to ratification by the Committee at the next meeting of the Committee.

In addition, any Related Party Transaction previously approved by the Committee or otherwise already existing that is ongoing in nature shall be reviewed by the Committee annually to ensure that such Related Party Transaction has been conducted in accordance with the previous approval granted by the Committee, if any, and that all required disclosures regarding the Related Party Transaction are made.

The Committee will review all relevant information available to it about the Related Party Transaction. The Committee may approve or ratify the Related Party Transaction only if the Committee determines that, under all of the circumstances, the transaction is in the best interests of the Company. The Committee may, in its sole discretion, impose such conditions as it deems appropriate on the Company or the related party in connection with approval of the Related Party Transaction.

In determining whether to approve or ratify a related party transaction, the Audit Committee considers all relevant facts and circumstances available to it, such as:

- Whether the terms of the transaction are fair to the Company and at least as favorable to the Company as would apply if the transaction did not involve a related party;
- Whether there are demonstrable business reasons for the Company to enter into the transaction;
- Whether the transaction would impair the independence of an outside director; and
- Whether the transaction would present an improper conflict of interest for any director or executive officer, taking into account the size of the transaction, the direct or indirect nature of the related party's interest in the transaction and the ongoing nature of any proposed relationship, and any other factors the Audit Committee deems relevant.

### **C. Disclosure**

All Related Party Transactions are to be disclosed in the Company's applicable filings as required by the Securities Act of 1933 and the Securities Exchange Act of 1934 and related rules. Furthermore, all Related Party Transactions shall be disclosed to the Audit Committee of the Board and any material Related Party Transaction shall be disclosed to the full Board of Directors.

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*Adopted by the Board of Directors of MiMedx Group, Inc. on December 11, 2008.  
Amended last on December 11, 2018.*