

CorMedix Inc.  
Form DEF 14A  
June 20, 2013

**SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934**

Filed by the Registrant  Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to § 240.14a-12

**CorMedix Inc.**

**(Name of Registrant as Specified In Its Charter)**

**(Name of Person(s) Filing Proxy Statement if Other Than the Registrant)**

Payment of Filing Fee (Check the appropriate box):

No fee required.

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1) Title of each class of securities to which transaction applies:

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.. Fee paid previously with preliminary materials.

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1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

**745 Route 202-206, Suite 303  
Bridgewater, New Jersey 08807**

June 20, 2013

Dear Stockholders:

It is our pleasure to invite you to the 2013 Annual Meeting of Stockholders of CorMedix Inc. We will hold the meeting on Tuesday, July 30, 2013, at our office at 745 Route 202-206, Suite 303, Bridgewater, New Jersey 08807, at 11:00 a.m., local time.

Details regarding admission to the meeting and the business to be conducted at the meeting are more fully described in the accompanying Notice of Annual Meeting of Stockholders and proxy statement.

This is an important meeting at which stockholders will be voting on, among other things, the approval of some terms of our recent 8% convertible note and warrant financing, completed on May 30, 2013, that we believe is critical to our planned commercialization of Neutrolin® in Germany, at first, and elsewhere in Europe thereafter.

We hope you will be able to attend the annual meeting. Whether or not you plan to attend the annual meeting, please promptly sign, date and return the enclosed proxy card or voting instruction card in the envelope provided, or submit your proxy by telephone or over the Internet (if those options are available to you) in accordance with the instructions on the enclosed proxy card or voting instruction card.

Thank you for your ongoing support of and continued interest in CorMedix.

Sincerely,

Randy Milby  
Chief Executive Officer



**CORMEDIX INC.**

**745 Route 202-206, Suite 303**

**Bridgewater, New Jersey 08807**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**TO BE HELD JULY 30, 2013**

TO THE STOCKHOLDERS OF

CORMEDIX INC.

The 2013 annual meeting of stockholders of CorMedix Inc. will be held at our corporate headquarters, 745 Route 202-206, Suite 303, Bridgewater, New Jersey 08807, on July 30, 2013, at 11:00 a.m. Eastern time, for the following purposes:

1. To elect five directors to serve until the 2014 Annual Meeting of Stockholders and until their successors are duly elected and qualified;
2. To approve of the issuance of shares of our common stock upon conversion of our 8% senior secured convertible notes and related warrants if the conversion or exercise thereof requires the issuance of shares in excess of the New York Stock Exchange limits for share issuances without stockholder approval;
3. To approve the CorMedix Inc. 2013 Stock Incentive Plan;
4. To ratify the appointment of CohnReznick LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2013; and
5. To act upon such other matters as may properly come before the meeting or any adjournment thereof.

These matters are more fully described in the proxy statement accompanying this notice.

The Board has fixed the close of business on June 14, 2013 as the record date for the determination of stockholders entitled to notice of and to vote at the meeting or any adjournment thereof. A list of stockholders eligible to vote at the meeting will be available for review during our regular business hours at our principal offices in Bridgewater, New Jersey for the 10 days prior to the meeting for review for any purposes related to the meeting.

You are cordially invited to attend the meeting in person. However, to assure your representation at the meeting, you are urged to vote by proxy by following the instructions contained in the accompanying proxy statement. You may revoke your proxy in the manner described in the proxy statement at any time before it has been voted at the meeting. Any stockholder attending the meeting may vote in person even if he or she has returned a proxy. **Your vote is important. Whether or not you plan to attend the annual meeting, we hope that you will vote as soon as possible.**

Our proxy statement and proxy are enclosed, along with our Annual Report on Form 10-K for the fiscal year ended December 31, 2012, as filed with the Securities and Exchange Commission.

Bridgewater, New Jersey

Dated: June 20, 2013

By Order of the Board of Directors

Richard M. Cohen,

Secretary

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE 2013 ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON JULY 30, 2013:** This proxy statement and our Annual Report on Form 10-K are available at: <http://materials.proxyvote.com/21900C>.

## QUESTIONS AND ANSWERS ABOUT THE 2013 ANNUAL MEETING

**Q: Who may vote at the meeting?**

The Board of Directors has set June 14, 2013 as the record date for the meeting. If you owned shares of our common stock at the close of business on June 14, 2013, you may attend and vote at the meeting. Each stockholder **A:** is entitled to one vote for each share of common stock held on all matters to be voted on. As of June 14, 2013, there were 13,363,424 shares of our common stock outstanding and entitled to vote at the meeting. Our outstanding Series A preferred stock is non-voting and therefore has no voting rights at the Annual Meeting.

**Q: What is the difference between holding shares as a stockholder of record and as a beneficial owner?**

If your shares are registered directly in your name with our transfer agent, VStock Transfer, LLC, you are **A:** considered, with respect to those shares, a “stockholder of record.” If you are a stockholder of record, we have sent these proxy materials to you directly.

If your shares are held in a stock brokerage account or by a bank or other holder of record, you are considered the “beneficial owner” of shares held in street name. In that case, these proxy materials have been forwarded to you by your broker, bank, or other holder of record who is considered, with respect to those shares, the stockholder of record. As the beneficial owner, you have the right to direct your broker, bank, or other holder of record on how to vote your shares by using the voting instruction card included in the mailing.

**Q: What is the quorum requirement for the meeting?**

A majority of our outstanding shares of capital stock entitled to vote as of the record date must be present at the **A:** meeting in order for us to hold the meeting and conduct business. This is called a quorum. Your shares will be counted as present at the meeting if you:

- are present and entitled to vote in person at the meeting; or
- properly submitted a proxy card or voter instruction card in advance of or at the meeting.

If you are present in person or by proxy at the meeting, but abstain from voting on any or all proposals, your shares are still counted as present and entitled to vote. Each proposal listed in this proxy statement identifies the votes needed



to approve or ratify the proposed action.

**Q: What proposals will be voted on at the meeting?**

**A:** The four proposals to be voted on at the meeting are as follows:

1. To elect the five directors named in the proxy statement to serve until our next annual meeting or until their successors have been elected and qualified;

2. To approve the issuance of shares of our common stock upon conversion of our 8% senior secured convertible notes and related warrants if the conversion or exercise thereof requires the issuance of shares in excess of the New York Stock Exchange limits for share issuances without stockholder approval;

3. To approve the CorMedix Inc. 2013 Stock Incentive Plan; and

4. To ratify the appointment of CohnReznick LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2013.

We will also consider any other business that properly comes before the meeting. As of the record date, we are not aware of any other matters to be submitted for consideration at the meeting. If any other matters are properly brought before the meeting, the persons named in the enclosed proxy card or voter instruction card will vote the shares they represent using their best judgment.

**Q: Can I access these proxy materials on the Internet?**

Yes. The notice, proxy statement, form of proxy card and the Annual Report on Form 10-K for the fiscal year ended December 31, 2012 are available in PDF and HTML format at <http://materials.proxyvote.com/21900C>. All materials will remain posted on <http://materials.proxyvote.com/21900C> until the conclusion of the meeting.

**Q: How may I vote my shares in person at the meeting?**

If your shares are registered directly in your name with our transfer agent, VStock Transfer, LLC, you are considered, with respect to those shares, the stockholder of record. As the stockholder of record, you have the right to vote in person at the meeting. You will need to present a form of personal photo identification in order to be admitted to the meeting. If your shares are held in a brokerage account or by another nominee or trustee, you are considered the beneficial owner of shares held in street name. As the beneficial owner, you are also invited to attend the meeting. Because a beneficial owner is not the stockholder of record, you may not vote these shares in person at the meeting unless you obtain a “legal proxy” from your broker, nominee, or trustee that holds your shares, giving you the right to vote the shares at the meeting.

**Q: How can I vote my shares without attending the meeting?**

Whether you hold shares directly as a registered stockholder of record or beneficially in street name, you may vote without attending the meeting. If you are the stockholder of record, you may submit your proxy by mail by signing and dating your proxy card and submitting it in the postage-prepaid envelope enclosed with this proxy statement. If you are the beneficial owner of the shares, you have the right to direct your broker, bank, or other holder of record on how to vote your shares by using the voting instruction card included in the mailing.

**Q: How can I change my vote after submitting it?**

**A:** If you are a stockholder of record, you can revoke your proxy before your shares are voted at the meeting by:

Filing a written notice of revocation bearing a later date than the proxy with our Corporate Secretary either before the meeting or at the meeting at 745 Route 202-206, Suite 303, Bridgewater, New Jersey 08807;

Duly executing a later-dated proxy relating to the same shares and delivering it to our Corporate Secretary either before the meeting or at the meeting and before the taking of the vote, at 745 Route 202-206, Suite 303, Bridgewater, New Jersey 08807; or

Attending the meeting and voting in person (although attendance at the meeting will not in and of itself constitute a revocation of a proxy).



**CORMEDIX INC.**

**745 Route 202-206, Suite 303**

**Bridgewater, New Jersey 08807**

**PROXY STATEMENT**

**ANNUAL MEETING OF STOCKHOLDERS**

**JULY 30, 2013**

This proxy statement has been prepared by the management of CorMedix Inc. “We,” “our” and the “Company” each refers to CorMedix Inc.

In addition to soliciting proxies by mail, we are furnishing proxy materials, including the notice, proxy statement, electronic proxy card for the meeting and Annual Report on Form 10-K for the year ended December, 2012, including financial statements, by providing access to them on the internet. These materials were first available on the internet on or about June 20, 2013. The proxy statement contains instructions for accessing and reviewing our proxy materials on the internet and for voting by proxy over the internet. We mailed copies of the proxy materials on or about June 20, 2013 to our stockholders of record and beneficial owners as of June 14, 2013, the record date for the meeting.

**GENERAL INFORMATION ABOUT VOTING**

**Who Can Vote**

You are entitled to attend the meeting and vote your common stock if you held shares as of the close of business on June 14, 2013. At the close of business on June 14, 2013, a total of 13,363,424 shares of common stock were outstanding and entitled to vote. Each share of common stock has one vote.

## Voting by Proxies

If your common stock is held by a broker, bank or other nominee, they should send you instructions that you must follow in order to have your shares voted. If you hold shares in your own name, you may vote by proxy in any one of the following ways:

• via the internet by accessing the proxy materials on the secure website, [www.proxyvote.com](http://www.proxyvote.com), and following the voting instructions on that website;

• via telephone by calling toll free (800) 690-6903 in the United States and following the recorded instructions; or

• by requesting printed copies of the proxy materials be mailed to you and completing, dating, signing and returning the proxy card that you receive in response to your request.

The internet and telephone voting procedures are designed to authenticate stockholders' identities by use of a control number to allow stockholders to vote their shares and to confirm that stockholders' instructions have been properly recorded. Voting via the internet or telephone must be completed by 11:59 p.m. local time on July 29, 2013. Of course, you can always come to the meeting and vote your shares in person. If you submit or return a proxy card without giving specific voting instructions, your shares will be voted as recommended by our Board.

We are not aware of any other matters to be presented at the meeting except for those described in this proxy statement. If any matters not described in this proxy statement are presented at the meeting, the proxies will use their own judgment to determine how to vote your shares. If the meeting is adjourned, the proxies may vote your shares on the new meeting date as well, unless you revoke your proxy instructions before then.

## Revoking Your Proxy Instructions

If you are a stockholder of record, you can revoke your proxy before your shares are voted at the meeting by:

Filing a written notice of revocation bearing a later date than the proxy with our Corporate Secretary at 745 Route 202-206, Suite 303, Bridgewater, New Jersey 08807 at or before the taking of the vote at the meeting;

Duly executing a later-dated proxy relating to the same shares and delivering it to our Corporate Secretary at 745 Route 202-206, Suite 303, Bridgewater, New Jersey 08807 at or before the taking of the vote at the meeting; or

Attending the meeting and voting in person (although attendance at the meeting will not in and of itself constitute a revocation of a proxy).

If you are a beneficial owner of shares held in street name, you may submit new voting instructions by contacting your bank, broker, nominee or trustee. You may also vote in person at the meeting if you obtain a legal proxy from them.

## Counting Votes

Consistent with state law and our bylaws, the presence, in person or by proxy, of at least a majority of the shares entitled to vote at the meeting will constitute a quorum for purposes of voting on a particular matter at the meeting. Once a share is represented for any purpose at the meeting, it is deemed present for quorum purposes for the remainder of the meeting and any adjournment thereof unless a new record date is set for the adjournment. Shares held of record by stockholders or their nominees who do not vote by proxy or attend the meeting in person will not be considered present or represented and will not be counted in determining the presence of a quorum. Signed proxies that withhold authority or reflect abstentions and “broker non-votes” will be counted for purposes of determining whether a quorum is present. “Broker non-votes” are proxies received from brokerage firms or other nominees holding shares on behalf of their clients who have not been given specific voting instructions from their clients with respect to non-routine matters.

Assuming the presence of a quorum at the meeting:

The election of directors will be determined by a plurality of the votes cast at the meeting. This means that the five nominees receiving the highest number of “FOR” votes will be elected as directors. Withheld votes and broker

non-votes, if any, are not treated as votes cast, and therefore will have no effect on the proposal to elect directors.

The approval of the issuance of shares of our common stock upon conversion of our 8% convertible notes and exercise of related warrants in excess of New York Stock Exchange, or NYSE, limits, and the approval of the 2013 Equity Incentive Plan and the ratification of the appointment of our independent registered public accounting firm require the affirmative vote of a majority of the votes cast at the meeting. Abstentions are counted for purposes of determining the shares represented and voting and will have the effect of a vote against these proposals. Broker non-votes are counted for purposes of determining the shares represented but are not treated as votes cast, and therefore will have no effect on the proposals.

the ratification of the appointment of our independent registered public accounting firm requires the affirmative vote of a majority of the votes cast at the meeting. Abstentions and broker non-votes are counted for purposes of determining the shares represented and voting and will have the effect of a vote against this proposal.

With respect to “routine” matters, such as the ratification of the selection of our independent registered public accounting firm, a bank, brokerage firm, or other nominee has the authority (but is not required) under the rules governing self-regulatory organizations, or SRO rules, including the NYSE MKT, on which our common stock is listed, to vote its clients’ shares if the clients do not provide instructions. When a bank, brokerage firm, or other nominee votes its clients’ shares on routine matters without receiving voting instructions, these shares are counted both for establishing a quorum to conduct business at the meeting and in determining the number of shares voted FOR, AGAINST or ABSTAINING with respect to such routine matters.

With respect to “non-routine” matters, such as the election of directors, the approval of the issuance of shares of our common stock upon conversion of our 8% convertible notes and exercise of related warrants in excess of NYSE limits, and the approval of the 2013 Equity Incentive Plan, a bank, brokerage firm, or other nominee is not permitted under the SRO rules to vote its clients’ shares if the clients do not provide instructions. The bank, brokerage firm, or other nominee will so note on the voting instruction form, and this constitutes a “broker non-vote.” “Broker non-votes” will be counted for purposes of establishing a quorum to conduct business at the meeting, but not for determining the number of shares voted FOR, AGAINST, ABSTAINING or WITHHELD FROM with respect to such non-routine matters.

In summary, if you do not vote your proxy, your bank, brokerage firm, or other nominee may either:

- vote your shares on routine matters and cast a “broker non-vote” on non-routine matters; or
- leave your shares unvoted altogether.

We strongly encourage you to provide instructions to your bank, brokerage firm, or other nominee by voting your proxy. This action ensures that your shares will be voted in accordance with your wishes at the meeting.

Because your vote on the ratification of the appointment of our independent registered public accounting firm is advisory, it will not be binding on our Board or our company. However, our Board and the Audit Committee will consider the outcome of the vote when making future decisions regarding the selection of our independent registered public accounting firm.

### **Cost of this Proxy Solicitation**

We will pay the cost of this proxy solicitation. You will need to obtain your own internet access if you choose to access the proxy materials and/or vote over the internet. In addition to soliciting proxies by mail, our directors and employees might solicit proxies personally and by telephone. None of these individuals will receive any additional compensation for this. We did not, but may in the future, retain a proxy solicitor to assist in the solicitation of proxies for a fee. We will, upon request, reimburse brokers, banks and other nominees for their expenses in sending proxy materials to their principals and obtaining their proxies.

### **Attending the Annual Meeting**



If you are a holder of record and plan to attend the annual meeting, please bring your proxy or a photo identification to confirm your identity. If you are a beneficial owner of common stock held by a bank or broker, i.e., in “street name,” you will need proof of ownership to be admitted to the meeting. A recent brokerage statement or letter from a bank or broker are examples of proof of ownership. If you want to vote in person your common stock held in street name, you must get a proxy in your name from the registered holder.

**PROPOSAL NO. 1—ELECTION OF DIRECTORS**

Our bylaws currently provide that the number of directors constituting the Board shall be not less than five nor more than nine. The Board may establish the number of directors within this range. There are five directors presently serving on our Board, and the number of directors to be elected at this annual meeting is five.

The Board proposes the five nominees listed below for election to the Board for a one-year term. The Board has determined that all directors, except Richard Cohen, are independent as defined in Rule 803A(2) of the NYSE MKT Rules. In addition to the specific bars to independence set forth in that rule, we also consider whether a director or his or her affiliates have provided any services to, worked for or received any compensation from us or any of our subsidiaries in the past three years in particular. In addition, none of the nominees is related by blood, marriage or adoption to any other nominee or any of our executive officers.

<b>Name</b>	<b>Age</b>	<b>Director Since</b>	<b>Position(s) with CorMedix</b>
<b>Directors with Terms Expiring in 2013</b>			
Richard M. Cohen	61	December 2009	Executive Chairman, Director and Chief Financial Officer
Gary A. Gelbfish, M.D.	54	December 2009	Director
Antony E. Pfaffle, M.D.	49	February 2007	Director and Chief Scientific Officer
Steven Lefkowitz	57	August 2011	Director
Matthew Duffy	50	November 2011	Director

**Richard M. Cohen** has been a director of CorMedix since December 2009, was appointed our Chief Financial Officer effective January 1, 2013, was Executive Chairman in September 2011, our Interim Chief Executive Officer in November 2011 and Interim Chief Financial Officer in May 2012. Since 2002, Mr. Cohen has served as a Managing Director of Encore/Novation, a company that purchases and securitizes settlement assets. He also served as Chief Financial Officer of Dune Energy, an oil and gas exploration and production company, from 2003 to 2005. Since 2006, Mr. Cohen has been a member of the Board of Directors and Chairman of the Audit Committee of Helix Biomedix. Mr. Cohen holds a C.P.A. from the State of New York, received his M.B.A. from Stanford University, and received his B.S. from the Wharton School of the University of Pennsylvania. Among other experience, qualifications, attributes and skills, Mr. Cohen's expertise in financial and investment matters and significant experience in accounting matters as a certified public accountant led to the conclusion of our Board that he should serve as a director of our company in light of our business and structure.

**Matthew P. Duffy** has been a director of CorMedix since November 2011. Mr. Duffy is currently Managing Director at Roberts Mitani Advisors, LLC, a boutique investment bank in New York. He has also been Managing Partner and founder of Black Diamond Research, LLC, since July 2001. Further, he is a founder of Algorithm Sciences, LLC and Identic Pharmaceuticals, LLC. In addition, he is a managing member of NSIP LLC, and a member of the Executive Committee of Ellington Asset Management, LLC. He led commercial operations at Lev Pharmaceuticals, from November 2007 to October 2008. From 1995 to 2001, Mr. Duffy led the marketing group at MedImmune, Inc. Mr.

Duffy holds the series 7, 63 and 65 securities licenses and received his undergraduate degree from Duke University. Among other experience, qualifications, attributes and skills, Mr. Duffy's commercial and marketing expertise with development stage biotechnology companies led to the conclusion of our Board that he should serve as a director of our company in light of our business and structure.

**Gary A. Gelbfish, M.D.** has been a director of CorMedix since December 2009. Dr. Gelbfish has been in private practice as a vascular surgeon since 1990. Dr. Gelbfish has practiced vascular surgery at Beth Israel Hospital since 1990, and has practiced vascular surgery at New York University Downtown Hospital since 2003. Since 1997, Dr. Gelbfish has served as an Assistant Clinical Professor of Surgery at Mt. Sinai Hospital. Dr. Gelbfish received a B.S. from Brooklyn College, holds an M.D. from Columbia University, and completed his fellowship in vascular surgery at Maimonides Medical Center. Among other experience, qualifications, attributes and skills, Dr. Gelbfish's in-depth knowledge of the practice of medicine and understanding of the science behind our product candidates led to the conclusion of our Board that he should serve as a director of our company in light of our business and structure.

*Steven W. Lefkowitz* has been a director of CorMedix since August 2011, chairman of the Audit Committee since August 2011, and a member of the Audit and Compensation Committees since August 2011. Mr. Lefkowitz has been the President and Founder of Wade Capital Corporation a financial advisory services company, since June 1990. Mr. Lefkowitz also serves as a director in both publicly traded and privately held companies. Mr. Lefkowitz has been a director of Franklin Credit Management Corporation, formerly known as Franklin Credit Holding Corporation, a public specialty consumer finance company since 1996, a director of AIS, RE, a privately held reinsurance company since 2001 and a director and chairman of the board of MedConx, Inc., a privately held medical devices connector company since 2007. Mr. Lefkowitz received his A.B. from Dartmouth College in 1977 and his M.B.A. from Columbia University in 1985. Among other experience, qualifications, attributes and skills, Mr. Lefkowitz's financial expertise with development stage biotechnology companies led to the conclusion of our Board that he should serve as a director of our company in light of our business and structure.

*Antony E. Pfaffle, M.D.* has been a director of CorMedix since February 2007 and, effective January 1, 2013, became our Acting Chief Scientific Officer. Dr. Pfaffle has been Director of Healthcare Research at Bearing Circle Capital, L.P., an investment fund, since May 2007. Dr. Pfaffle is an Advisory Medical Director for ParagonRx, an Inventiv Company specializing in drug and device risk evaluation and mitigation. He was a Managing Director at Paramount BioCapital, Inc. and Senior Vice-President of Business Development at Paramount BioSciences, LLC from December 2005 to May 2007. Dr. Pfaffle was a Principal and Founder of Black Diamond Research, an investment research company, from July 2001 to December 2005. Dr. Pfaffle is an internist who practiced nephrology at New York Hospital-Weill Cornell Medical Center, Lenox Hill Hospital and Memorial Sloan-Kettering Cancer Center. Dr. Pfaffle received his M.D. from New York Medical College in 1989. Among other experience, qualifications, attributes and skills, Dr. Pfaffle's financial expertise, knowledge of the investment community, medical science background and experience with development stage biopharmaceutical companies led to the conclusion of our Board that he should serve as a director of our company in light of our business and structure.

## **Recommendation**

The Board unanimously recommends that stockholders vote **FOR** the election of the five nominees for election to the Board for a one-year term.

## **Vote Required**

Directors are elected by a plurality of the votes cast at the annual meeting. This means that the five nominees receiving the highest number of votes will be elected.

## **Voting by the Proxies**

The proxies will vote your common stock in accordance with your instructions. If you are a stockholder of record, unless you mark your proxy card to withhold authority to vote, your common stock will be voted for the election of the nominees named in this proxy statement. Each nominee has agreed to serve and we expect that each of the nominees will be able to serve if elected. However, if any nominee is unavailable for election, the proxies may vote your common stock to elect a substitute nominee proposed by the Board.

If you are a beneficial owner of shares held in street name and you do not provide your broker with voting instructions, under the SRO rules governing brokers, your broker may not vote your shares on the election of directors.

## **CORPORATE GOVERNANCE**

### **Information about the Board of Directors and its Committees**

#### **Board Composition**

Our Board currently consists of five members. Directors elected at this meeting and each subsequent annual meeting will be elected for one-year terms or until their successors are duly elected and qualified.

We only recently separated the position of Chairman, currently non-independent director Richard M. Cohen, and that of Chief Executive Officer, currently Randy Milby. While the Board believes that separation of these positions serves our company well, and intends to maintain this separation where appropriate and practicable, the Board does not believe that it is appropriate to prohibit one person from serving as both Chairman and Chief Executive Officer.

### **Selection of Nominees for our Board of Directors**

To be considered as a director nominee, an individual must have, among other attributes: high personal and professional ethics, integrity and values; commitment to our company and its stockholders; an inquisitive and objective perspective and mature judgment; availability to perform all Board and committee responsibilities; and independence. In addition to these minimum requirements, the Nominating and Governance Committee will also evaluate whether the nominee's skills are complementary to the existing directors' skills and the Board's need for operational, management, financial, international, industry-specific or other expertise. We do not have a specific written policy with regard to the consideration of diversity in identifying director nominees. We focus on identifying nominees with experience, qualifications, attributes and skills to work with the other directors to serve the long-term interests of our stockholders. All those matters being equal, we do and will consider diversity a positive additional characteristic in potential nominees.

The Nominating and Governance Committee invites Board members to submit nominations for director. In addition to candidates submitted by Board members, director nominees recommended by stockholders will be considered. Stockholder recommendations must be made in accordance with the procedures described in the section titled "Stockholder Proposals" below and will receive the same consideration that other nominees receive. All nominees are evaluated by the Nominating and Governance Committee to determine whether they meet the minimum qualifications and whether they will satisfy the Board's needs for specific expertise at that time. The Committee recommends to the full Board nominees for election as directors at our annual meeting of stockholders.

No stockholder has nominated anyone for election as a director at this annual meeting.

### **Board Committees**

Our Board has established an Audit Committee, Compensation Committee and Nominating and Governance Committee. Our Audit Committee consists of Mr. Lefkowitz (Chair), and Dr. Gelbfish. Our Compensation Committee consists of Dr. Pfaffle (Chair), Mr. Duffy and Mr. Lefkowitz. Our Nominating and Governance Committee consists of Dr. Gelbfish (Chair), Dr. Pfaffle and Mr. Duffy.

Our Board has undertaken a review of the independence of our directors and has determined that all directors except Richard Cohen are independent within the meaning of Section 803A(2) of the NYSE MKT Rules and that Mr. Lefkowitz and Dr. Gelbfish meet the additional test for independence for audit committee members imposed by Securities and Exchange Commission, or SEC, regulation and Section 803B(2) of the NYSE MKT Rules. The members of our Compensation Committee are all independent within the meaning of Section 805(c) of the NYSE MKT Rules.

Each of the above-referenced committees operates pursuant to a formal written charter. The charters for each committee, which have been adopted by our Board, contain a detailed description of the respective committee's duties and responsibilities and are available on our website at [www.cormedix.com](http://www.cormedix.com) under the "Investor Relations—Corporate Governance" tab.

### **Audit Committee**

The primary purpose of our Audit Committee is to assist the Board in the oversight of the integrity of our accounting and financial reporting process, the audits of our consolidated financial statements, and our compliance with legal and regulatory requirements. The Audit Committee is responsible for hiring the independent registered public accounting firm, reviewing and approving the planned scope of the annual audit and pre-approving all audit services and permissible non-audit services provided by our independent registered public accounting firm. Its role also includes meeting with management and our independent registered public accounting firm to review our annual audited financial statements and quarterly financial statements. The Audit Committee monitors the integrity of our financial statements, the performance of our internal audit function and our compliance with regulatory and legal requirements. The Audit Committee also approves any related party transaction.

### **Compensation Committee**

The primary purpose of our Compensation Committee is to assist our Board in exercising its responsibilities relating to compensation of our executive officers and employees and to administer our equity compensation and other benefit plans. In carrying out these responsibilities, this committee reviews all components of executive officer and employee compensation for consistency with its compensation philosophy, as in effect from time to time. Our Compensation Committee is responsible for reviewing and recommending to our Board the compensation paid to directors, as well as designing and implementing compensation policies for our key personnel, including executive officers and employees. Finally, the Compensation Committee has the authority to obtain, at our expense, the advice and assistance of internal or external advisers, experts and others to assist the Committee.

### **Nominating and Governance Committee**

The primary purpose of our Nominating and Governance Committee is to assist our Board in promoting the best interest of our company and our stockholders through the implementation of sound corporate governance principles and practices. The Nominating and Governance Committee is also responsible for identifying candidates to serve on our Board, developing and recommending a self-evaluation process for our Board and overseeing the self-evaluation process.

### **Information Regarding Meetings of the Board and Committees**

The business of our company is under the general oversight of our Board as provided by the laws of Delaware and our bylaws. During the fiscal year ended December 31, 2012, the Board held 15 meetings and also conducted business by written consent, the Audit Committee held 4 meetings, the Compensation Committee held 2 meetings and the Nominating and Governance Committee held 3 meetings. Each person who was a director during 2012 attended at least 75% of the Board meetings and the meetings of the committee on which he served. We do not have a formal written policy with respect to Board members' attendance at our annual meetings of stockholders, but we encourage them to do so. All of our directors attended the 2012 annual meeting.

### **Risk Oversight**

Our Board is responsible for our company's risk oversight and has delegated that role to the Audit Committee. In fulfilling that role, the Audit Committee focuses on our general risk-management strategy, the most significant risks facing our company, and ensures that risk-mitigation strategies are implemented by management. The Compensation



Committee oversees risks related to our compensation and benefit plans and policies to ensure sound pay practices that do not cause risks to arise that are reasonably likely to have a material adverse effect on our company. The Nominating and Governance Committee seeks to minimize risks related to governance structure by implementing sound corporate governance principles and practices. Each of the committees regularly reports to the full Board as appropriate on its efforts at risk oversight, and will report any matter that rises to the level of a material or enterprise-level risk.

### **Stockholder Proposals**

The Bylaws establish procedures for stockholder nominations for elections of directors and bringing business before any annual meeting or special meeting of stockholders. A stockholder entitled to vote in the election of directors may nominate one or more persons for election as directors at a meeting only if written notice of such stockholder's intent to make such nomination or nominations has been delivered to our Corporate Secretary at our principal executive offices not less than 90 days nor more than 120 days prior to the first anniversary of the prior year's annual meeting. In the event that the date of the annual meeting is more than 30 days before or more than 60 days after the anniversary date of the prior year's annual meeting, the stockholder notice must be given not more than 120 days nor less than the later of 90 days prior to the date of the annual meeting or, if it is later, the 10<sup>th</sup> day following the date on which the date of the annual meeting is first publicly announced or disclosed by us.

A stockholder's notice must set forth: (a) as to each person whom the stockholder proposes to nominate for election or reelection as a director all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended, or the Exchange Act, and the rules and regulations thereunder (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected); (b) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made; (c) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made, (i) the name and address of such stockholder, as they appear on our books, and of such beneficial owner, and (ii) the class and number of shares of our company that are owned beneficially and of record by such stockholder and such beneficial owner; and (d) any additional information reasonably requested by the Board.

Notwithstanding anything in the previous paragraph to the contrary, in the event that the number of directors to be elected to the Board is increased and there is no public announcement by us naming all of the nominees for director or specifying the size of the increased Board at least 70 days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by the Bylaws will also be considered timely, but only with respect to nominees for any new positions created by such increase, if it is delivered to our Corporate Secretary at our principal executive offices not later than the close of business on the 10<sup>th</sup> day following the day on which such public announcement is first made by us.

The chairman of the meeting has the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth in the Bylaws and, if any proposed nomination or business is not in compliance with the Bylaws, to declare that such defective proposal or nomination will be disregarded.

### **Stockholder Communications with the Board**

Stockholders who wish to do so may communicate directly with the Board or specified individual directors by writing to:

Board of Directors (or name of individual director)

c/o Secretary  
CorMedix Inc.  
745 Route 202-206, Suite 303  
Bridgewater, NJ 08807

We will forward all communications from stockholders to the full Board, to non-management directors, to an individual director or to the chairperson of the Board committee that is most closely related to the subject matter of the communication, except for the following types of communications: (i) communications that advocate that we engage in illegal activity; (ii) communications that, under community standards, contain offensive or abusive content; (iii) communications that have no relevance to our business or operations; and (iv) mass mailings, solicitations and advertisements. The Corporate Secretary will determine when a communication is not to be forwarded. Our acceptance and forwarding of communications to directors does not imply that directors owe or assume any fiduciary duties to persons submitting the communications.

**PROPOSAL NO. 2 – APPROVAL OF THE ISSUANCE OF SHARES OF OUR COMMON STOCK UPON CONVERSION OF OUR 8% SENIOR SECURED CONVERTIBLE NOTES AND RELATED WARRANTS IF THE CONVERSION OR EXERCISE THEREOF REQUIRES THE ISSUANCE OF SHARES IN EXCESS OF THE NEW YORK STOCK EXCHANGE LIMITS FOR SHARE ISSUANCES WITHOUT STOCKHOLDER APPROVAL**

On May 23, 2013, we entered into a securities purchase agreement with existing institutional investors pursuant to which we issued and sold an aggregate of \$1,500,000 in principal amount of 8% senior secured convertible notes, referred to as the Notes, and warrants to purchase up to an aggregate of 1,000,000 shares of our common stock. The Notes are convertible at any time into shares of our common stock at a conversion price of \$1.10, subject to adjustment. The holders of the Notes also may elect to add to the principal amount of the Notes a year's worth of interest. The Warrants are exercisable for five years at any time after May 30, 2013 and have an exercise price of \$1.10 per share, subject to adjustment.

The conversion price of the Notes and the exercise price of the Warrants are both subject to automatic price-based anti-dilution adjustments in the event that we issue shares of common stock (or securities convertible into or exercisable for common stock) at a price per share that is less than the then applicable conversion or exercise price. For example, if we were to issue shares in a future financing at \$1.00 per share, then the conversion price of the Notes and the exercise price of the Warrants would be reduced to \$1.00 per share. We currently have no plans to issue shares at a dilutive price in any future financing. In addition, the exercise price of the Warrants also will automatically be reset on May 30, 2015, to the then market price of our common stock, as reported on the NYSE MKT, provided such price is less than \$1.10 or the then applicable exercise price. Despite the potential for the exercise price of the Warrants to be reduced, the number of shares issuable upon exercise of the Warrants will not change and will remain at a maximum aggregate of 1,000,000 shares. A fuller description of the Notes is provided below.

In the event the conversion price of the Notes is reduced, the number of shares that would be issuable upon their conversion would increase. Depending on the decrease in the conversion price, if any, the number of shares issuable upon conversion of the Notes, including any interest added to the principal thereof, when added to the 1,000,000 shares of common stock issuable upon exercise of the Warrants, could equal or exceed 20% of the shares of common stock outstanding immediately prior to the May 2013 financing, which was 13,282,665 shares. Twenty percent of that amount is 2,656,532 shares, referred to as the Maximum Amount. The rules of the NYSE MKT, on which our common stock is listed, prohibit the issuance of common stock in an amount that is equal to or greater than 20% of the shares of our common stock outstanding prior to the May 2013 financing if (i) the offering was not a bona fide "public offering" as defined in the NYSE MKT Rules or (ii) the purchase price of those securities is or could be less than the market price of our common stock at the time of the May 2013 financing, in either case, without stockholder approval.

Pursuant to the terms of the securities purchase agreement pursuant to which we sold the Notes and the Warrants and NYSE Listed Company Manual Rule 312.03(c), stockholder approval is required prior to our issuance of common stock upon conversion of the Notes or exercise of the Warrants if the number of shares of common stock to be issued would be equal to or greater than the Maximum Amount.



### **Effect of Not Approving this Proposal**

Failure to obtain approval of this Proposal No. 2 with respect to the issuance of shares of our common stock upon conversion of the Notes and exercise of the Warrants would limit our ability to use shares of common stock instead of cash to settle amounts due under the Notes in excess of the Maximum Amount. We believe that the ability to repay the Notes, and any interest added to the principal amount of the Notes, in shares of our common stock is very important to our company in order to conserve cash resources for the planned expansion of our business. In addition, if we cannot use shares of common stock to repay the Notes, we may not have sufficient cash on hand to repay the Notes when required and may default on the Notes, in which event the entire principal and any accrued interest on the Notes would be due and payable at a price equal to the greater of (i) 125% of the principal amount of the Notes and (ii) the product of (a) the principal amount of the Notes divided by the conversion price then in effect, multiplied by (b) 125% of the greatest closing sale price of our common stock on any trading day during the period beginning on the date immediately before our default and ending on the date we make the entire payment required upon our default. Also, such a default would cause a cross default on our outstanding 2012 convertible notes, of which there was an aggregate of principal amount of \$886,400 outstanding on May 31, 2013, which would render those notes repayable immediately, putting an even greater strain on our cash resources. This could require us to find additional financing which we may not be able to find on acceptable terms or at all. Further, the ability to receive proceeds from the exercise of the Warrants provides us with a potential cash source at this critical time in our company's life. Finally, we also believe that failure to obtain stockholder approval of this proposal could jeopardize our future financing prospects because prospective purchasers of securities may consider our stockholders as unsupportive of financings approved by our Board.

If our stockholders do not approve Proposal No. 2 at the annual meeting, we are required by the terms of the securities purchase agreement pursuant to which we sold the Notes and the Warrants to continue to seek stockholder approval in each of the next three fiscal quarters and thereafter semi-annually until such approval is received. Failure to receive approval at the annual meeting will therefore increase our general and administrative expenses, funds that we believe would be better spent pursuing the planned commercialization of Neutrolin.

### **Vote Required**

The affirmative vote of the holders of a majority of the shares of our common stock present or represented and entitled to vote on this proposal at the annual meeting will be required to approve this proposal, provided, however, that in accordance with NYSE MKT rules no shares issued or issuable in connection with the May 2013 financing are eligible to vote on this proposal.

In accordance with Delaware law, abstentions will be counted for purposes of determining both whether a quorum is present at the annual meeting and the total number of shares represented and voting on this proposal. While broker non-votes will be counted for purposes of determining the presence or absence of a quorum, broker non-votes will not

be counted for purposes of determining the number of shares represented and voting with respect to the particular proposal on which the broker has expressly not voted and, accordingly, will not affect the approval of this proposal.

**The Board of Directors unanimously recommends that the stockholders vote “FOR” the approval of the issuance of shares of our common stock upon the conversion of the Notes and the exercise of the Warrants in excess of the Maximum Amount.**

### **Description of the Notes**

The Notes are senior, secured obligations, guaranteed by all of our assets. The Notes bear interest at the rate of 8.0% per annum and will be subject to a “make-whole” upon any conversion of the Notes into common stock, as if the Notes being converted were outstanding to April 1, 2014. Interest is first payable on September 3, 2013 and on the first trading day of each month thereafter. The Notes mature on April 1, 2016 unless redeemed prior to that date, subject to amortization discussed below. A noteholder may elect to have any interest due prior to April 1, 2014 added to the principal amount of a note; thereafter, interest will be paid in cash only.

We will redeem the Notes in cash at par value or in shares of stock which are priced in accordance with a pricing formula set forth in the Notes, in eight equal monthly installment payments beginning on September 1, 2013, and continuing thereafter on the first business day of each month, ending on April 1, 2014. At our option, and if certain equity conditions are waived or satisfied, we may elect to pay these installment payments in shares of common stock, in cash, or in any combination of shares and cash. To the extent we pay all or any portion of an installment payment in common stock, we will deliver to each noteholder the amount of shares equal to the applicable installment payment being paid in shares of common stock, divided by the lower of (i) the conversion price then in effect, and (ii) 90% of the average of the 10 lowest-volume weighted-average prices of our common stock during the 20 trading day period ending two trading days prior to the applicable payment date, which price we refer to as the Company Conversion Price.

All installment payments will be subject to the right of each noteholder to defer payment of some or all of any installment payment to a subsequent installment date or the maturity date, and, with respect to any installment date, convert, at the then-prevailing Company Conversion Price, any amount of principal and capitalized interest up to an amount equal to four installment payments. Each noteholder may also convert, at any time, all or a portion of any deferred installment payment. The Company Conversion Price for any such deferred installment payment shall be the lower of the Company Conversion Price in effect on the date of the original installment date and the Company Conversion Price then in effect.

In the event we default on our obligations under the Notes, each noteholder may require that we redeem all or any portion of such noteholder's Notes at a price equal to the greater of (i) the product of the amount to be redeemed, multiplied by the redemption premium (which is 125%), and (ii) the product of (a) the amount to be redeemed divided by the conversion price then in effect, multiplied by (b) the product of the redemption premium multiplied by greatest closing sale price of our common stock on any trading day during the period beginning on the date immediately before our default and ending on the date we make the entire redemption payment required upon our default. Furthermore, until we have fully paid such redemption payment, any noteholder who has submitted an amount for redemption following our default may elect to have such amount converted into our common stock in lieu of redemption. In the event our default is due to our bankruptcy, insolvency or reorganization, however, the Notes will not be redeemable and all amounts due and owing under the Notes will be immediately due and payable.

A noteholder may convert a Note, and any interest due prior to April 1, 2014 elected by the holder to be added to the principal amount of the Note, at any time into shares of common stock. A noteholder will be prohibited from converting its Notes if, as a result of such conversion, such holder, together with its affiliates, would beneficially own more than 4.99% or 9.99%, at the election of the initial noteholder, of the total number of shares of our common stock then issued and outstanding. Any noteholder may increase or decrease this percentage, provided that such change will not be effective until the 61<sup>st</sup> day following such noteholder's request, and such change will only apply to the requesting noteholder.



### **PROPOSAL NO. 3 - APPROVAL OF THE CORMEDIX INC. 2013 STOCK INCENTIVE PLAN**

On March 20, 2013, the Board of Directors approved the CorMedix Inc. 2013 Stock Incentive Plan, or the 2013 Plan, subject to stockholder approval. We believe that the 2013 Plan is an important incentive for our employees and is critical to our ongoing effort to build stockholder value and align the interests of our employees and directors with those of our stockholders. Equity awards are a significant part of our ability to attract, retain, and motivate people whose skills and performance are critical to our success. We have a practice of linking key employee compensation to corporate performance because we believe that this increases employee motivation to improve stockholder value. We have, therefore, consistently included equity incentives as a significant component of compensation for our employees, as evidenced by awards granted in the past pursuant to the CorMedix Inc. Amended and Restated 2006 Stock Incentive Plan, or the 2006 Plan. However, as of May 31, 2013, there were only 401,703 shares of our common stock remaining for issuance under the 2006 Plan. Since adoption by the Board of the 2013 Plan, we have not made any grants under the 2006 Plan. If the stockholders approve the 2013 Plan, we will no longer make equity grants under the 2006 Plan.

Also on March 20, 2013, we granted non-statutory stock options pursuant to the 2013 Plan for an aggregate of 1,400,000 shares of our common stock to all CorMedix team members and our directors. For these options, the Compensation Committee and the Board of Directors, in acknowledgement of the focus required during this period in our company's history, determined that vesting should be based primarily on performance and not simply the passage of time. As a result, nearly all of the CorMedix team options vest only if specified performance milestones are met. The bulk of the milestones relate to the commercialization of Neutrolin<sup>®</sup>, including specific commercial and business development events, with vesting over one to three years. The director options vest over two years, but do not have performance milestones. Option grants to our executive officers and directors are as follows: Randy Milby, 500,000 shares; Antony Pfaffle, 210,000 shares; Steve Lefkowitz, 120,000 shares; Matthew Duffy, 100,000 shares; Gary Gelbfish, 50,000 shares; and Richard Cohen, 40,000 shares. If the stockholders do not approve the 2013 Plan, these options will terminate.

Following is a summary of the principal features of the 2013 Plan. The summary is qualified by the full text of the 2013 Plan, attached to this proxy statement as [Appendix A](#).

## Key Provisions

Following are the key provisions of the 2013 Plan:

### Provisions of 2013 Plan

<b>Provisions of 2013 Plan</b>	<b>Description</b>
Eligible Participants	<p>Employees, directors, consultants, advisors and other independent contractors of our company and any successor entity that adopts the 2013 Plan.</p> <ul style="list-style-type: none"> <li>· Total of 5,000,000 shares of our common stock.</li> <li>· Shares of common stock that are issued under the 2013 Plan or that are subject to outstanding awards will be applied to reduce the number of shares reserved for issuance under the 2013 Plan.</li> <li>· Except as otherwise required by Section 162(m) of the Itd width="2%" valign="bottom" style="padding:0in 0in 0in 0in;width:2.5%;"&gt;</li> </ul>
Share Reserve	

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<b>NET SALES</b>	<b>4,451,542</b>	<b>3,937,233</b>	<b>13.1%</b>
<b>NET INCOME</b>	<b>347,077</b>	<b>269,869</b>	<b>28.6%</b>
<b>BASIC EARNINGS PER SHARE (ADS) (2)</b>	<b>0.76</b>	<b>0.59</b>	<b>28.2%</b>

	2010	2009	% Change
<b>KEY FIGURES IN THOUSANDS OF U.S. DOLLARS (1) (3)</b>			
<b>NET SALES</b>	<b>5,851,552</b>	<b>5,379,048</b>	<b>8.8%</b>
<b>NET INCOME</b>	<b>456,233</b>	<b>368,695</b>	<b>23.7%</b>
<b>BASIC EARNINGS PER SHARE (ADS)(2)</b>	<b>0.99</b>	<b>0.81</b>	<b>23.4%</b>

Notes :

	2010	2009
(1) Except earnings per share (ADS), which are expressed in Euro and U.S. Dollars, respectively		
(2) Weighted average number of outstanding shares	458,544,153	457,108,193
(3) Average exchange rate (in U.S. Dollars per Euro)	1.3145	1.3662

## LUXOTTICA GROUP

## CONSOLIDATED INCOME STATEMENT

FOR THE THREE-MONTH PERIODS ENDED

SEPTEMBER 30, 2010 AND SEPTEMBER 30, 2009

In accordance with IAS/IFRS

In thousands of Euro (1)	3Q 10	% of sales	3Q 09	% of sales	% Change
<b>NET SALES</b>	<b>1,464,732</b>	<b>100.0%</b>	<b>1,223,272</b>	<b>100.0%</b>	<b>19.7%</b>
COST OF SALES	(499,849)		(420,784)		
<b>GROSS PROFIT</b>	<b>964,883</b>	<b>65.9%</b>	<b>802,488</b>	<b>65.6%</b>	<b>20.2%</b>
<i>OPERATING EXPENSES:</i>					
SELLING EXPENSES	(490,264)		(412,049)		
ROYALTIES	(22,012)		(20,342)		
ADVERTISING EXPENSES	(89,967)		(73,246)		
GENERAL AND ADMINISTRATIVE EXPENSES	(154,907)		(137,217)		
TRADEMARK AMORTIZATION	(21,297)		(20,072)		
<b>TOTAL</b>	<b>(778,447)</b>		<b>(662,925)</b>		
<b>OPERATING INCOME</b>	<b>186,436</b>	<b>12.7%</b>	<b>139,563</b>	<b>11.4%</b>	<b>33.6%</b>
<i>OTHER INCOME (EXPENSE):</i>					
INTEREST EXPENSES	(26,929)		(29,663)		
INTEREST INCOME	2,543		954		
OTHER - NET	(1,120)		2,087		
<b>OTHER INCOME (EXPENSES)-NET</b>	<b>(25,507)</b>		<b>(26,621)</b>		
<b>INCOME BEFORE PROVISION FOR INCOME TAXES</b>	<b>160,929</b>	<b>11.0%</b>	<b>112,941</b>	<b>9.2%</b>	<b>42.5%</b>
PROVISION FOR INCOME TAXES	(58,229)		(36,142)		
<b>NET INCOME</b>	<b>102,700</b>		<b>76,800</b>		
LESS: NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTEREST	(766)		(1,016)		
<b>NET INCOME ATTRIBUTABLE TO LUXOTTICA GROUP SHAREHOLDERS</b>	<b>101,934</b>	<b>7.0%</b>	<b>75,784</b>	<b>6.2%</b>	<b>34.5%</b>
<b>BASIC EARNINGS PER SHARE (ADS):</b>	<b>0.22</b>		<b>0.17</b>		
<b>FULLY DILUTED EARNINGS PER SHARE (ADS):</b>	<b>0.22</b>		<b>0.17</b>		
<b>WEIGHTED AVERAGE NUMBER OF OUTSTANDING SHARES</b>					
	<b>458,527,966</b>		<b>457,214,454</b>		
<b>FULLY DILUTED AVERAGE NUMBER OF SHARES</b>					
	<b>460,152,396</b>		<b>458,303,432</b>		

Notes :

(1) Except earnings per share (ADS), which are expressed in Euro



## LUXOTTICA GROUP

## CONSOLIDATED INCOME STATEMENT

## FOR THE NINE-MONTH PERIODS ENDED

SEPTEMBER 30, 2010 AND SEPTEMBER 30, 2009

In accordance with IAS/IFRS

In thousands of Euro (1)	2010	% of sales	2009	% of sales	% Change
<b>NET SALES</b>	<b>4,451,542</b>	<b>100.0%</b>	<b>3,937,233</b>	<b>100.0%</b>	<b>13.1%</b>
COST OF SALES	(1,529,395)		(1,352,480)		
<b>GROSS PROFIT</b>	<b>2,922,148</b>	<b>65.6%</b>	<b>2,584,752</b>	<b>65.6%</b>	<b>13.1%</b>
<i>OPERATING EXPENSES:</i>					
SELLING EXPENSES	(1,427,794)		(1,281,290)		
ROYALTIES	(74,512)		(74,509)		
ADVERTISING EXPENSES	(286,455)		(245,410)		
GENERAL AND ADMINISTRATIVE EXPENSES	(454,547)		(425,227)		
TRADEMARK AMORTIZATION	(62,829)		(61,266)		
<b>TOTAL</b>	<b>(2,306,136)</b>		<b>(2,087,703)</b>		
<b>OPERATING INCOME</b>	<b>616,012</b>	<b>13.8%</b>	<b>497,049</b>	<b>12.6%</b>	<b>23.9%</b>
<i>OTHER INCOME (EXPENSE):</i>					
INTEREST EXPENSES	(78,500)		(79,307)		
INTEREST INCOME	5,824		4,322		
OTHER - NET	(5,872)		(1,905)		
<b>OTHER INCOME (EXPENSES)-NET</b>	<b>(78,548)</b>		<b>(76,890)</b>		
<b>INCOME BEFORE PROVISION FOR INCOME TAXES</b>	<b>537,464</b>	<b>12.1%</b>	<b>420,159</b>	<b>10.7%</b>	<b>27.9%</b>
PROVISION FOR INCOME TAXES	(186,202)		(145,308)		
<b>NET INCOME</b>	<b>351,262</b>		<b>274,852</b>		
LESS: NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTEREST	(4,185)		(4,983)		
<b>NET INCOME ATTRIBUTABLE TO LUXOTTICA GROUP SHAREHOLDERS</b>	<b>347,077</b>	<b>7.8%</b>	<b>269,869</b>	<b>6.9%</b>	<b>28.6%</b>
<b>BASIC EARNINGS PER SHARE (ADS):</b>	<b>0.76</b>		<b>0.59</b>		
<b>FULLY DILUTED EARNINGS PER SHARE (ADS):</b>	<b>0.75</b>		<b>0.59</b>		
<b>WEIGHTED AVERAGE NUMBER OF OUTSTANDING SHARES</b>	<b>458,544,153</b>		<b>457,108,193</b>		
<b>FULLY DILUTED AVERAGE NUMBER OF SHARES</b>	<b>460,249,173</b>		<b>457,661,787</b>		

Notes :

(1) Except earnings per share (ADS), which are expressed in Euro



## LUXOTTICA GROUP

## CONSOLIDATED BALANCE SHEET

AS OF SEPTEMBER 30, 2010 AND DECEMBER 31, 2009

In accordance with IAS/IFRS

In thousands of Euro	September 30, 2010	December 31, 2009
<i>CURRENT ASSETS:</i>		
CASH AND CASH EQUIVALENTS	482,943	380,081
MARKETABLE SECURITIES	25,330	
ACCOUNTS RECEIVABLE - NET	665,332	618,884
SALES AND INCOME TAXES RECEIVABLE	24,512	59,516
INVENTORIES - NET	562,047	524,663
PREPAID EXPENSES AND OTHER	143,404	138,849
<b>TOTAL CURRENT ASSETS</b>	<b>1,903,577</b>	<b>1,721,993</b>
<b>PROPERTY, PLANT AND EQUIPMENT - NET</b>	<b>1,167,933</b>	<b>1,149,972</b>
<i>OTHER ASSETS</i>		
INTANGIBLE ASSETS - NET	3,992,926	3,838,715
INVESTMENTS	51,454	46,317
OTHER ASSETS	147,893	146,626
SALES AND INCOME TAXES RECEIVABLE	1,191	965
DEFERRED TAX ASSETS - NON-CURRENT	380,304	356,706
<b>TOTAL OTHER ASSETS</b>	<b>4,573,768</b>	<b>4,389,329</b>
<b>TOTAL</b>	<b>7,645,278</b>	<b>7,261,294</b>
<i>CURRENT LIABILITIES:</i>		
BANK OVERDRAFTS	221,956	148,951
CURRENT PORTION OF LONG-TERM DEBT	135,142	166,279
ACCOUNTS PAYABLE	415,576	434,604
ACCRUED EXPENSES AND OTHER	483,752	526,801
ACCRUAL FOR CUSTOMERS' RIGHT OF RETURN	31,335	27,334
INCOME TAXES PAYABLE	88,044	11,204
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,375,805</b>	<b>1,315,174</b>
<i>LONG-TERM LIABILITIES:</i>		
LONG-TERM DEBT	2,394,627	2,401,796
LIABILITY FOR TERMINATION INDEMNITIES	42,755	44,633
DEFERRED TAX LIABILITIES - NON-CURRENT	403,224	396,048
OTHER LONG-TERM LIABILITIES	315,495	350,028
<b>TOTAL LIABILITIES</b>	<b>4,531,905</b>	<b>4,507,679</b>
<i>EQUITY:</i>		
465,222,483 ORDINARY SHARES AUTHORIZED AND ISSUED - 458,768,198		
SHARES OUTSTANDING	27,913	27,863



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NET INCOME ATTRIBUTABLE TO LUXOTTICA GROUP SHAREHOLDERS	347,077	299,122
RETAINED EARNINGS	2,726,292	2,410,253
<b>TOTAL LUXOTTICA GROUP SHAREHOLDERS EQUITY</b>	<b>3,101,281</b>	<b>2,737,239</b>
<b>NONCONTROLLING INTEREST</b>	<b>12,091</b>	<b>16,376</b>
<b>TOTAL EQUITY</b>	<b>3,113,373</b>	<b>2,753,615</b>
<b>TOTAL</b>	<b>7,645,278</b>	<b>7,261,294</b>

## LUXOTTICA GROUP

## CONSOLIDATED FINANCIAL HIGHLIGHTS

## FOR THE NINE-MONTH PERIODS ENDED

SEPTEMBER 30, 2010 AND SEPTEMBER 30, 2009

## - SEGMENTAL INFORMATION -

In accordance with IAS/IFRS

In thousands of Euro	Manufacturing and Wholesale	Retail	Inter-Segment Transactions and Corporate Adj.	Consolidated
<b>2010</b>				
Net Sales	1,722,947	2,728,595		4,451,542
Operating Income	372,235	353,877	(110,101)	616,012
<i>% of sales</i>	<i>21.6%</i>	<i>13.0%</i>		<i>13.8%</i>
Capital Expenditures	59,556	79,709		139,264
Depreciation & Amortization	58,297	104,317	62,829	225,442
<b>2009</b>				
Net Sales	1,506,468	2,430,764		3,937,233
Operating income	296,069	310,707	(109,726)	497,049
<i>% of sales</i>	<i>19.7%</i>	<i>12.8%</i>		<i>12.6%</i>
Capital Expenditures	52,490	78,578		131,068
Depreciation & Amortization	55,915	97,031	61,266	214,212

Major currencies

Average exchange rates per 1	Three months ended September 30, 2009	Nine Months ended September 30, 2009	Twelve months ended December 31, 2009	Three months ended September 30, 2010	Nine months ended September 30, 2010
US\$	1.43030	1.36618	1.39467	1.29104	1.31453
AUD	1.71689	1.82338	1.77281	1.42885	1.46555
GBP	0.87161	0.88633	0.89104	0.83305	0.85730
CNY	9.77019	9.33414	9.52693	8.73875	8.94742
JPY	133.81712	129.50037	130.31404	110.67500	117.66057

Non-IAS/IFRS Measure: EBITDA and EBITDA margin

**EBITDA** represents net income before non-controlling interest, taxes, other income/expense, depreciation and amortization. **EBITDA margin** means EBITDA divided by net sales.

The Company believes that EBITDA is useful to both management and investors in evaluating the Company's operating performance compared with that of other companies in its industry.

Our calculation of EBITDA allows us to compare our operating results with those of other companies without giving effect to financing, income taxes and the accounting effects of capital spending, which items may vary for different companies for reasons unrelated to the overall operating performance of a company's business.

EBITDA and EBITDA margin are not measures of performance under International Financial Reporting Standards as issued by the International Accounting Standards Board (IAS/IFRS).

We include them in this presentation in order to:

- improve transparency for investors;
- assist investors in their assessment of the Company's operating performance and its ability to refinance its debt as it matures and incur additional indebtedness to invest in new business opportunities;
- assist investors in their assessment of the Company's cost of debt;
- ensure that these measures are fully understood in light of how the Company evaluates its operating results and leverage;
- properly define the metrics used and confirm their calculation; and
- share these measures with all investors at the same time.

EBITDA and EBITDA margin are not meant to be considered in isolation or as a substitute for items appearing on our financial statements prepared in accordance with IAS/IFRS.

Rather, these non-IAS/IFRS measures should be used as a supplement to IAS/IFRS results to assist the reader in better understanding the operational performance of the Company.

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The Company cautions that these measures are not defined terms under IAS/IFRS and their definitions should be carefully reviewed and understood by investors.

Investors should be aware that Luxottica Group's method of calculating EBITDA may differ from methods used by other companies. The Company recognizes that the usefulness of EBITDA has certain limitations, including:

- EBITDA does not include interest expense. Because we have borrowed money in order to finance our operations, interest expense is a necessary element of our costs and ability to generate profits and cash flows. Therefore, any measure that excludes interest expense may have material limitations;
- EBITDA does not include depreciation and amortization expense. Because we use capital assets, depreciation and amortization expense is a necessary element of our costs and ability to generate profits. Therefore, any measure that excludes depreciation and expense may have material limitations;
- EBITDA does not include provision for income taxes. Because the payment of income taxes is a necessary element of our costs, any measure that excludes tax expense may have material limitations;
- EBITDA does not reflect cash expenditures or future requirements for capital expenditures or contractual commitments;
- EBITDA does not reflect changes in, or cash requirements for, working capital needs;
- EBITDA does not allow us to analyze the effect of certain recurring and non-recurring items that materially affect our net income or loss.

We compensate for the foregoing limitations by using EBITDA as a comparative tool, together with IAS/IFRS measurements, to assist in the evaluation of our operating performance and leverage.

See the tables on the following pages for a reconciliation of EBITDA to net income, which is the most directly comparable IAS/IFRS financial measure, as well as the calculation of EBITDA margin on net sales.

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Non-IAS/IFRS Measure: EBITDA and EBITDA margin

Millions of Euro

	3Q 2010	3Q 2009	9M 2010	9M 2009	FY09	LTM September 30, 2010
Net income/(loss) (+)	101.9	75.8	347.1	269.9	299.1	376.3
Net income attributable to non-controlling interest (+)	0.8	1.0	4.2	5.0	5.8	5.0
Provision for income taxes (+)	58.2	36.1	186.2	145.3	159.9	200.8
Other (income)/expense (+)	25.5	26.6	78.5	76.9	106.3	108.0
Depreciation & amortization (+)	77.0	70.2	225.4	214.2	285.4	296.7
EBITDA (=)	263.5	209.8	841.5	711.3	856.5	986.7
Net sales (/)	1,464.7	1,223.3	4,451.5	3,937.2	5,094.3	5,608.6
EBITDA margin (=)	18.0%	17.1%	18.9%	18.1%	16.8%	17.6%

Non-IAS/IFRS Measure: Net Debt to EBITDA ratio

**Net debt to EBITDA ratio:** Net debt means the sum of bank overdrafts, current portion of long-term debt and long-term debt, less cash. EBITDA represents net income before non-controlling interest, taxes, other income/expense, depreciation and amortization. The Company believes that EBITDA is useful to both management and investors in evaluating the Company's operating performance compared with that of other companies in its industry. Our calculation of EBITDA allows us to compare our operating results with those of other companies without giving effect to financing, income taxes and the accounting effects of capital spending, which items may vary for different companies for reasons unrelated to the overall operating performance of a company's business. The ratio of net debt to EBITDA is a measure used by management to assess the Company's level of leverage, which affects our ability to refinance our debt as it matures and incur additional indebtedness to invest in new business opportunities. The ratio also allows management to assess the cost of existing debt since it affects the interest rates charged by the Company's lenders.

EBITDA and ratio of net debt to EBITDA are not measures of performance under International Financial Reporting Standards as issued by the International Accounting Standards Board (IAS/IFRS).

We include them in this presentation in order to:

- improve transparency for investors;
- assist investors in their assessment of the Company's operating performance and its ability to refinance its debt as it matures and incur additional indebtedness to invest in new business opportunities;
- assist investors in their assessment of the Company's cost of debt;
- ensure that these measures are fully understood in light of how the Company evaluates its operating results and leverage;
- properly define the metrics used and confirm their calculation; and
- share these measures with all investors at the same time.

EBITDA and ratio of net debt to EBITDA are not meant to be considered in isolation or as a substitute for items appearing on our financial statements prepared in accordance with IAS/IFRS. Rather, these non-IAS/IFRS measures should be used as a supplement to IAS/IFRS results to assist the reader in better understanding the operational performance of the Company. The Company cautions that these measures are not defined terms under IAS/IFRS and their definitions should be carefully reviewed and understood by investors. Investors should be aware that Luxottica Group's method of calculating EBITDA and the ratio of net debt to EBITDA may differ from methods used by other companies. The Company recognizes that the usefulness of EBITDA and the ratio of net debt to EBITDA as evaluative tools may have certain limitations, including:

- EBITDA does not include interest expense. Because we have borrowed money in order to finance our operations, interest expense is a necessary element of our costs and ability to generate profits and cash flows. Therefore, any measure that excludes interest expense may have material limitations;

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- EBITDA does not include depreciation and amortization expense. Because we use capital assets, depreciation and amortization expense is a necessary element of our costs and ability to generate profits. Therefore, any measure that excludes depreciation and expense may have material limitations;
- EBITDA does not include provision for income taxes. Because the payment of income taxes is a necessary element of our costs, any measure that excludes tax expense may have material limitations;
- EBITDA does not reflect cash expenditures or future requirements for capital expenditures or contractual commitments;
- EBITDA does not reflect changes in, or cash requirements for, working capital needs;
- EBITDA does not allow us to analyze the effect of certain recurring and non-recurring items that materially affect our net income or loss; and
- The ratio of net debt to EBITDA is net of cash and cash equivalents, restricted cash and short-term investments, thereby reducing our debt position.

Because we may not be able to use our cash to reduce our debt on a dollar-for-dollar basis, this measure may have material limitations. We compensate for the foregoing limitations by using EBITDA and the ratio of net debt to EBITDA as two of several comparative tools, together with IAS/IFRS measurements, to assist in the evaluation of our operating performance and leverage.

See the tables on the following pages for a reconciliation of net debt to long-term debt, which is the most directly comparable IAS/IFRS financial measure, as well as the calculation of the ratio of net debt to EBITDA. For a reconciliation of EBITDA to net income, which is the most directly comparable IAS/IFRS financial measure, see the tables on the preceding pages.

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Non-IAS/IFRS Measure: Net debt and Net debt / EBITDA

Millions of Euro

	September 30, 2010	Dec 31, 2009
Long-term debt (+)	2,394.6	2,401.8
Current portion of long-term debt (+)	135.1	166.3
Bank overdrafts (+)	222.0	149.0
Cash (-)	(482.9)	(380.1)
Net debt (=)	2,268.8	2,336.9
LTM EBITDA	986.7	856.5
Net debt/LTM EBITDA	2.3x	2.7x
Net debt @ avg. exchange rates (1)	2,274.7	2,381.7
Net debt @ avg. exchange rates (1)/LTM EBITDA	2.3x	2.8x

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(1) Net debt figures are calculated using the average exchange rates used to calculate the EBITDA figures

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Non-IAS/IFRS Measures: Free Cash Flow

**Free cash flow** net represents net income before non-controlling interest, taxes, other income/expense, depreciation and amortization (i.e. EBITDA – see table on the earlier page) plus or minus the decrease/(increase) in working capital over the prior period, less capital expenditures, plus or minus interest income/(expense) and extraordinary items, minus taxes paid. The Company believes that free cash flow is useful to both management and investors in evaluating the Company’s operating performance compared with other companies in its industry. In particular, our calculation of free cash flow provides a clearer picture of the Company’s ability to generate net cash from operations, which is used for mandatory debt service requirements, to fund discretionary investments, pay dividends or pursue other strategic opportunities.

Free cash flow is not a measure of performance under International Financial Reporting Standards as issued by the International Accounting Standards Board (IAS/IFRS). We include it in this presentation in order to:

- \* Improve transparency for investors;
- \* Assist investors in their assessment of the Company’s operating performance and its ability to generate cash from operations in excess of its cash expenses;
- \* Ensure that this measure is fully understood in light of how the Company evaluates its operating results;
- \* Properly define the metrics used and confirm their calculation; and
- \* Share this measure with all investors at the same time.

Free cash flow is not meant to be considered in isolation or as a substitute for items appearing on our financial statements prepared in accordance with IAS/IFRS. Rather, this non-IAS/IFRS measure should be used as a supplement to IAS/IFRS results to assist the reader in better understanding the operational performance of the Company. The Company cautions that this measure is not a defined term under IAS/IFRS and its definition should be carefully reviewed and understood by investors. Investors should be aware that Luxottica Group’s method of calculation of free cash flow may differ from methods used by other companies. The Company recognizes that the usefulness of free cash flow as an evaluative tool may have certain limitations, including:

- The manner in which the Company calculates free cash flow may differ from that of other companies, which limits its usefulness as a comparative measure;
- Free cash flow does not represent the total increase or decrease in the net debt balance for the period since it excludes, among other things, cash used for funding discretionary investments and to pursue strategic opportunities during the period and any impact of the exchange rate changes; and
- Free cash flow can be subject to adjustment at the Company’s discretion if the Company takes steps or adopts policies that increase or diminish its current liabilities and/or changes to working capital.

We compensate for the foregoing limitations by using free cash flow as one of several comparative tools, together with IAS/IFRS measurements, to assist in the evaluation of our operating performance.

See the table on the following page for a reconciliation of free cash flow to EBITDA and the table on the earlier page for a reconciliation of EBITDA to net income, which is the most directly comparable IAS/IFRS financial measure.

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Non-IAS/IFRS Measure: Free cash flow

Millions of Euro

	<b>3Q 2010</b>
<b>EBITDA (1)</b>	<b>263.5</b>
Δ working capital	90.7
Capex	(56.4)
<b>Operating cash flow</b>	<b>297.8</b>
Financial charges (2)	(24.4)
Taxes	(20.1)
Extraordinary charges (3)	(1.1)
<b>Free cash flow</b>	<b>252.2</b>

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(1) EBITDA is not an IAS/IFRS measure; please see table on the earlier page for a reconciliation of EBITDA to net income

(2) Equals interest income minus interest expense

(3) Equals extraordinary income minus extraordinary expense

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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.

LUXOTTICA GROUP S.p.A.

Date: October 28, 2010

By: */s/ ENRICO CAVATORTA*  
ENRICO CAVATORTA  
CHIEF FINANCIAL OFFICER