

Anika Therapeutics, Inc.
Form DEF 14A
April 23, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
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- Definitive Proxy Statement
- Definitive Additional Materials
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ANIKA THERAPEUTICS, INC.
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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(4) Date Filed:

Anika Therapeutics, Inc.
32 Wiggins Avenue
Bedford, Massachusetts 01730

Notice of Annual Meeting of Stockholders to be Held on June 5, 2014

The 2014 Annual Meeting of Stockholders (the "Annual Meeting") of Anika Therapeutics, Inc. ("Anika" or the "Company"), a Massachusetts corporation, will be held at the Company's corporate headquarters, 32 Wiggins Avenue, Bedford, Massachusetts on Thursday, June 5, 2014, at 11:30 a.m. local time for the following purposes:

1. To elect two (2) Class III directors nominated by the Board of Directors, each to serve until the 2017 Annual Meeting of Stockholders and until their respective successors are duly elected and qualified;
2. To ratify the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the 2014 fiscal year;
3. To consider and approve an advisory vote regarding the compensation of the Company's Named Executive Officers; and
4. To consider and act upon any other matters that may properly come before the Annual Meeting or any adjournment or postponement thereof.

Proposal 1 relates solely to the election of two (2) Class III directors nominated by the Board of Directors and does not include any other matter relating to the election of directors, including without limitation, the election of directors nominated by any stockholder of the Company. Any action may be taken on the foregoing proposals at the Annual Meeting on the date specified above, or on any date or dates to which the Annual Meeting may be adjourned or postponed.

The Board of Directors has fixed the close of business on April 7, 2014 as the record date for determining the stockholders entitled to receive notice of and to vote at the Annual Meeting and at any adjournments or postponements thereof. Only stockholders of record of our common stock, par value \$.01 per share, at the close of business on that date will be entitled to receive notice of and to vote at the Annual Meeting and at any adjournments or postponements thereof.

All stockholders are cordially invited to attend the Annual Meeting in person. To assure your representation at the Annual Meeting, we urge you to vote via the Internet at www.proxyvote.com by following the instructions on the Notice Regarding the Availability of Proxy Materials (the "Notice") you received in the mail or, if you have requested a proxy card by mail, by signing, voting and returning your proxy card in the enclosed envelope. You may also vote via telephone by visiting www.proxyvote.com and following the instructions on the website or, if you have requested the proxy materials by mail, by following the instructions on the proxy card. For specific instructions on how to vote your shares, please review the instructions for each of these voting options that are detailed in the Notice and in the Company's Proxy Statement. If you attend the Annual Meeting, you may vote in person even if you have previously returned your proxy card or have voted via the Internet or by telephone. Regardless of the number of shares you own, your vote is important.

In addition to their availability at www.proxyvote.com, the Company's Proxy Statement and a form of proxy, together with its Annual Report on Form 10-K for the fiscal year ended December 31, 2013, are available for viewing, printing and downloading at <http://www.anikatherapeutics.com/proxy2014>.

By Order of the Board of Directors,

Sylvia Cheung
Chief Financial Officer & Secretary

Bedford, Massachusetts
April 23, 2014

WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING IN PERSON, YOU ARE REQUESTED TO COMPLETE YOUR PROXY AS INDICATED ABOVE. YOUR PROXY IS REVOCABLE UP TO THE TIME SET FORTH IN THE COMPANY'S PROXY STATEMENT, AND, IF YOU ATTEND THE ANNUAL MEETING, YOU MAY VOTE IN PERSON EVEN IF YOU HAVE PREVIOUSLY COMPLETED YOUR PROXY.

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2014 Proxy

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Anika Therapeutics, Inc.

32 Wiggins Avenue
Bedford, Massachusetts 01730

Proxy Statement for
The Annual Meeting of Stockholders
To Be Held on Thursday, June 5, 2014

This proxy statement is furnished in connection with the solicitation of proxies by the Board of Directors (the “Board of Directors,” or the “Board”) of Anika Therapeutics, Inc. (“Anika Therapeutics,” the “Company,” “we,” “us,” or “our”), a Massachusetts corporation, for use at the 2014 Annual Meeting of Stockholders (the “Annual Meeting”) to be held at the Company’s corporate headquarters, 32 Wiggins Avenue, Bedford, Massachusetts 01730 on Thursday, June 5, 2014, at 11:30 a.m. local time and at any adjournment or postponement thereof. At the Annual Meeting, the stockholders will be asked to consider and vote upon the following matters:

1. To elect two (2) Class III directors nominated by the Board of Directors, each to serve until the 2017 Annual Meeting of Stockholders and until their respective successors are duly elected and qualified;
2. To ratify the appointment of PricewaterhouseCoopers LLP as the Company’s independent registered public accounting firm for the 2014 fiscal year;
3. To consider and approve an advisory vote regarding the compensation of the Company’s Named Executive Officers; and
4. To consider and act upon any other matters that may properly come before the Annual Meeting or any adjournment or postponement thereof.

Proposal 1 relates solely to the election of two (2) Class III directors nominated by the Board of Directors and does not include any other matter relating to the election of directors, including without limitation, the election of directors nominated by any stockholder of the Company.

This proxy statement, the accompanying notice of the Annual Meeting, the form of proxy and Anika Therapeutics’ Annual Report are first being made available to stockholders on or about April 23, 2014. Our Annual Report, however, is not a part of the proxy solicitation materials. The Board of Directors has fixed the close of business on April 7, 2014 as the record date for the determination of stockholders entitled to receive notice of and to vote at the Annual Meeting. Only stockholders of record of our common stock, par value \$.01 per share, at the close of business on the record date will be entitled to receive notice of and to vote at the Annual Meeting. As of the record date, there were 14,608,502 shares of common stock outstanding and entitled to vote at the Annual Meeting. Holders of common stock as of the close of business on the record date will be entitled to one vote per share.

This year, pursuant to rules adopted by the Securities and Exchange Commission (the “SEC”), we have again elected to provide access to our proxy materials over the Internet. Accordingly, we have sent a Notice Regarding the Availability of Proxy Materials (the “Notice”) to certain of our stockholders (excluding those stockholders who previously have requested that they receive electronic or paper copies of our proxy materials). Stockholders have the ability to access our proxy materials on the website referred to in the Notice or to request a printed set of our proxy materials at no charge. Instructions on how to access our proxy materials over the Internet and how to request a printed copy of our proxy materials may be found in the Notice. In addition, stockholders may request to receive proxy materials in printed form by mail or electronically by email on an ongoing basis. We believe this process should expedite your receipt of our proxy materials and reduce the environmental impact of our Annual Meeting.

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You may vote via the Internet at www.proxyvote.com by following the instructions in the Notice you received in the mail and which are also provided on that website; or, if you have requested a proxy card by mail, by signing, voting and returning your proxy card. You may also vote via telephone by visiting www.proxyvote.com and following the instructions on the website or, if you have requested the proxy materials by mail, by following the instructions on the proxy card. If you attend the Annual Meeting, you may vote in person even if you have previously voted by telephone, via the Internet or returned a proxy card by mail. If you hold your shares in street name, you will receive instructions from your broker, bank or other nominee that you must follow in order to have your shares voted.

Any proxy given pursuant to this solicitation may be revoked by the person giving it at any time before it is voted. Proxies may be revoked by: (a) filing with the Secretary of the Company, before the taking of the vote at the Annual Meeting, a written notice of revocation bearing a later date than the proxy; (b) properly casting a new vote via the Internet or by telephone at any time before the closure of the Internet or telephone voting facilities; (c) duly completing a later-dated proxy relating to the same shares and delivering it to the Secretary of the Company before the taking of the vote at the Annual Meeting; or (d) attending the Annual Meeting and voting in person (although attendance at the Annual Meeting will not in and of itself constitute a revocation of a proxy). Any written notice of revocation or subsequent proxy should be sent so as to be delivered to Anika Therapeutics, Inc., 32 Wiggins Avenue, Bedford, Massachusetts 01730, Attention: Secretary, before the taking of the vote at the Annual Meeting.

All properly authorized proxies received and not revoked prior to or at the Annual Meeting will be voted in accordance with the stockholders' instructions by the persons named as proxies. If no voting instructions are specified, properly executed proxies will be voted (i) "for" the election of the nominees for director listed in this proxy statement, (ii) "for" the ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the 2014 fiscal year, and (iii) "for" approval of the resolution regarding the compensation of the Company's Named Executive Officers. If other matters are validly presented, proxies will be voted in accordance with the discretion of the persons named as proxies.

The presence, in person or by proxy, of holders of at least a majority of the total number of outstanding shares of common stock entitled to vote is necessary to constitute a quorum for the transaction of business at the Annual Meeting. Shares held of record by stockholders or their nominees who do not return a signed and dated proxy or attend the Annual Meeting in person will not be considered present or represented at the Annual Meeting and will not be counted in determining the presence of a quorum. Proxies withholding authority or marked as abstaining from a particular matter will be treated as present for purposes of determining whether a quorum is present for the Annual Meeting, but will not be counted as voting on any proposal for which authority is withheld or an abstention is indicated. If your common stock is held by a broker, bank or other nominee (i.e., in "street name") and you fail to give instructions as to how you want your shares voted (a "non-vote"), the broker, bank or other nominee may in certain circumstances, but is not required to, vote the shares at their own discretion; however, in certain circumstances a broker will not be permitted to vote such shares at its own discretion. Proxies returned by brokers as "non-votes" on behalf of shares held in street name will be counted only for the purpose of determining the presence or absence of a quorum for the transaction of business. Any shares not voted (whether by abstention, broker non-vote or otherwise) will have no impact on the proposal to approve the election of directors, except to the extent that the failure to vote for an individual in the election of directors results in another individual receiving a larger percentage of votes. For each other matter before the Annual Meeting, any shares not voted (whether by abstention, broker non-vote or otherwise) will have no impact on such proposals.

Proposal 1 (election of directors) requires the affirmative vote of a plurality of votes cast by the holders of Common Stock entitled to vote at the election. In a plurality election, votes may only be cast "for" or "withheld;" votes that are "withheld" from the nominees will not be voted in favor of the election of such nominees. For each of Proposal 2 (the ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accountants for the 2014 fiscal year) and Proposal 3 (advisory vote regarding the compensation of the Company's Named Executive Officers), the affirmative vote of the holders of a majority of shares of Common Stock present or represented at the Annual Meeting and voting on the matter is required. With respect to each of Proposal 2 and Proposal 3, stockholders may vote "for," "against" or "abstain."

Important Notice Regarding the Availability of Proxy Materials for the 2014 Annual Meeting of Stockholders to be held on June 5, 2014: This proxy statement, a form of proxy, and our Annual Report to Stockholders are available at <http://www.anikatherapeutics.com/proxy2014>. In addition, directions to the 2014 Annual Meeting of Stockholders are also available at <http://www.anikatherapeutics.com/proxy2014>.

PROPOSAL 1:

ELECTION OF DIRECTORS

Our Board of Directors is currently comprised of six directors and is divided into three classes: Class I, Class II and Class III. Each class of directors serves for a three-year term with one class of directors being elected by our stockholders at each annual meeting. Dr. Bower and Mr. Thompson serve as Class I Directors with a term of office expiring at the 2015 Annual Meeting. Messrs. Land and Moran serve as Class II Directors with a term of office expiring at the 2016 Annual Meeting. Mr. Wheeler and Dr. Sherwood serve as Class III Directors with a term of office expiring at the 2014 Annual Meeting.

Mr. Wheeler and Dr. Sherwood are our Board of Directors' nominees for election to the Board of Directors at the Annual Meeting. The Class III Directors will be elected to hold office until the 2017 Annual Meeting and until their successors are duly elected and qualified. Unless otherwise instructed, the persons named in the accompanying proxy will vote, as permitted by the Amended and Restated By-laws of Anika Therapeutics, to elect Mr. Wheeler and Dr. Sherwood as Class III Directors. If any of the Class III Directors becomes unavailable or declines to serve, the persons acting under the accompanying proxy may vote the proxy for the election of a substitute in their discretion. The Board of Directors has no reason to believe that either of the nominees will be unable or unwilling to serve if elected. There are no arrangements or understandings between any nominee and any other person pursuant to which such nominee was selected.

Vote Required

The election of a director requires the affirmative vote of a plurality of votes cast by the holders of common stock entitled to vote at the election. In a plurality election, votes may only be cast "for" or "withheld;" votes that are "withheld" from the nominees will not be voted in favor of the election of such nominees. This means that the two persons receiving the highest number of "for" votes will be elected as directors.

Board Recommendation

THE BOARD OF DIRECTORS OF THE COMPANY UNANIMOUSLY RECOMMENDS A VOTE "FOR" THE ELECTION OF THE NOMINEES OF THE BOARD AS DIRECTORS OF THE COMPANY.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR" EACH DIRECTOR NOMINEE.

Information Regarding the Directors

The following table sets forth the name of each director, including the nominees for Class III Director, his age and the year in which he became a director of Anika Therapeutics, Inc.

Director Name	Age	Director Since	Term Expires
Class I Directors:			
Joseph L. Bower	75	1993	2015
Jeffery S. Thompson	48	2011	2015
Class II Directors:			
Raymond J. Land	69	2006	2016
John C. Moran	61	2006	2016
Class III Directors:			
Steven E. Wheeler	67	1993	2014

Dr. Bower joined the Board of Directors of Anika Therapeutics in February 1993 and has served as lead director since April 2005. Since 2008, he has been the Baker Foundation Professor of Business Administration at Harvard Business School, and prior to 2008, he was the Donald Kirk David Professor of Business Administration. Dr. Bower also serves as a director of Loews Corporation and the New America High Income Fund. During the past five years, Dr. Bower also served as a director of the TH Lee Putnam EOP Fund, Brown Shoe Company, Inc. and Sonesta International Hotels Corporation. Dr. Bower brings to the Board more than three decades of experience in corporate governance and management, during which he has written books and taught these subjects at the Harvard Business School. Additionally, he has consulted with numerous organizations on problems of strategy and organizational development, including strategic planning and succession planning. As a result, we believe he is well suited for his roles as lead director and as chair of our Compensation Committee.

Mr. Thompson joined Anika's Board of Directors in January 2011. He is a Partner with HealthEdge Investment Partners, LLC ("HealthEdge"), a Tampa, Florida based private equity firm that provides strategic capital exclusively in the healthcare industry. Mr. Thompson currently serves as President, CEO, and Chairman of Enaltus, LLC, a Suwanee, Georgia based HealthEdge portfolio company specializing in unique skincare solutions, and as a Director of Infinity HomeCare, LLC, the LifeSync Corporation, and Advanced-Bio-Technologies, Inc., a wholly owned subsidiary of Sinclair Pharma, PLC, a publicly traded UK based skincare company. Prior to joining HealthEdge, he served as a Director and the Chief Operating Officer for Stiefel Laboratories, Inc. ("Stiefel"), the world's largest independent pharmaceutical company specializing in dermatology. Prior to his COO role, he was Stiefel's Senior Vice President U.S. Business Services and President of Glades Pharmaceuticals. Earlier in his career, Mr. Thompson held sales and business management positions at Bausch & Lomb Pharmaceuticals and SmithKline Beecham. Mr. Thompson is a graduate of the University of Pittsburgh. Mr. Thompson's qualifications for membership on the Company's Board include his prior experience in running a pharmaceutical company and his knowledge of the medical device industry, both of which provide our Board of Directors with product and business development perspectives and insights.

Mr. Land became a member of Anika Therapeutics' Board of Directors in January 2006. He also serves as Chairman of the Board of BioAmber, Inc., a publicly traded company developing chemicals from renewable feedstocks, and a Director and Chairman of the Audit Committee of Mountain View Pharmaceuticals, Inc., a privately held company specializing in biopharmaceuticals. In 2010, Mr. Land retired as the Senior Vice President and Chief Financial Officer of Clariant, Inc., an advanced molecular diagnostics company. From June 2007 to June 2008, he was the Senior Vice President and Chief Financial Officer of Safeguard Scientifics, Inc., a venture capital firm. Prior to Safeguard Scientifics, Inc., Mr. Land held executive management and Chief Financial Officer positions at Medcenter Solutions, Inc., a global pharmaceutical marketing company where he was also a Board member, and Orchid Cellmark, a leading provider of identity of DNA testing services. Mr. Land previously served as Senior Vice President and Chief Financial Officer for Genencor International, Inc., a diversified biotechnology company focusing on bioproducts and healthcare, from 1997 until its acquisition in April 2005. From 1991 to 1996, he served as Senior Vice President and Chief Financial Officer for West Pharmaceutical Services, Inc. Previously, Mr. Land was with Campbell Soup Company, Inc. where for nine years he held increasingly senior financial positions and also served as General Manager of a frozen food division. Prior to joining Campbell Soup, he was with Coopers and Lybrand for nine years. Mr. Land is a Certified Public Accountant and has a degree in accounting and finance from Temple University. Mr. Land's qualifications for membership on the Company's Board include his extensive prior experience as chief financial officer at multiple companies, including several in the life science industry. He serves as the Chairman and designated financial expert on the Audit Committee.

Mr. Moran joined the Board of Directors of Anika Therapeutics in December 2006. Mr. Moran was President, Chief Executive Officer, and Chairman of the Board of Core Essence Orthopaedics from 2009 to 2011. From 1997 to 2009, he was a private investor in a number of companies, mostly in the medical devices field. From 1990 to 1997, Mr. Moran served as the first President of Synthes Spine, a division of DePuy Synthes Spine, Inc., the leading skeletal fixation company in the world. Synthes Spine designs, manufactures and distributes implants and instruments for spinal disorders. During Mr. Moran's six-year tenure as President of Synthes Spine, sales grew from less than \$1 million to more than \$60 million annually. Mr. Moran also serves as a director of each of Paradigm Spine LLC and Christini Technologies, Inc. Mr. Moran received a Bachelor's Degree from the University of Notre Dame, and holds a Master's degree in business administration from the Harvard Business School. Mr. Moran's qualifications for membership on the Company's Board include his prior experience in running an orthopedic division and his knowledge of the medical device industry, which provides our Board of Directors with product and business development perspectives and insights.

Mr. Wheeler is President of Wheeler & Co., a private investment firm. He joined the Board of Directors of Anika Therapeutics in 1993. He is also currently a Director of Bariston Partners LLC, PingTone Communications, Inc. and HFF, Inc. Between 1993 and 1996, he was Managing Director and a Director of Copley Real Estate Advisors and

President, Chief Executive Officer and a Director of Copley Properties, Inc., a publicly traded real estate investment trust. From 1991 to 1993, he was Chairman and Chief Executive Officer of Hancock Realty Investors, which manages an equity real estate portfolio. Earlier, he was an Executive Vice President of Bank of New England Corporation from 1990 to 1991. Mr. Wheeler received a Bachelor's Degree in engineering from the University of Virginia, a Master's Degree in nuclear engineering from the University of Michigan and a Master's Degree in business administration from the Harvard Business School. Mr. Wheeler brings to our Board a broad understanding of business and finance matters, as well as over 20 years of experience with the Company as a member of its Board.

Dr. Sherwood was appointed Chief Executive Officer of Anika Therapeutics in March 2002, and became a member of the Board of Directors. Dr. Sherwood has served as President since June 2001. Dr. Sherwood previously served as Anika Therapeutics' Chief Operating Officer beginning in June 2001, Vice President of Research and Development beginning in April 2000 and Vice President of Process Development and Engineering beginning in April 1998. Dr. Sherwood served as a consultant to Anika Therapeutics from January 1998 to April 1998. From 1995 to 1997, Dr. Sherwood was Senior Director of Medical Device Research and Development for Chiron Vision. In April 1995, Chiron Vision acquired IOLAB Corporation, a division of Johnson & Johnson where Dr. Sherwood had been Executive Director of Research and Development from 1993 to 1995, Director of Materials Characterization from 1989 to 1993 and Manager/Section Head from 1982 to 1989. Dr. Sherwood was also a part-time faculty member in the Department of Chemistry at the California State Polytechnic University, Pomona, California from 1984 to 1987. Dr. Sherwood received a B.S. in Chemical Engineering from Cornell University, and an M.S. and Ph.D. in Polymer Science and Engineering from the University of Massachusetts, Amherst. Dr. Sherwood also received a Certificate in Management from Claremont Graduate School.

The Board's Role in Risk Oversight

The role of our Board of Directors in our Company's risk oversight process includes receiving reports from management on areas of material risk to our Company, including operational, financial, legal, regulatory, strategic and reputational risks. The Board (or the appropriate committee in the case of risks that are under the purview of a particular committee) receives these reports from the appropriate "risk owner" within the Company so that it can understand risk identification, risk management and risk mitigation strategies. When a committee receives a report from management, the Chairman of said committee reports on its review to the full Board. This enables the Board and its committees to coordinate the risk oversight role. Our Board of Directors also administers its risk oversight function through the required approval by the Board (or a committee of the Board) of significant transactions and other material decisions, and regular periodic reports from our Company's independent registered public accounting firm and other outside consultants regarding various areas of potential risk, including, among others, those relating to our internal controls and financial reporting. As part of its charter, the Audit Committee discusses with management and our independent registered public accounting firm significant risks and exposures, as well as the steps management has taken to minimize those risks.

Board Leadership Structure

Dr. Bower serves as the Lead Director of the Company. Separating the Lead Director role and the Chief Executive Officer role allows our Chief Executive Officer to focus on strategic management of the day-to-day business of the Company, while allowing the Lead Director to focus on leading our Board in its fundamental role of providing advice to and independent oversight of management. Our Board recognizes the time, effort and energy that the Chief Executive Officer is required to devote to his position in the current business environment, as well as the commitment required to serve as our Lead Director, particularly as the Board's oversight responsibilities continue to grow. Our Board believes that having separate positions, with an independent, non-executive director serving as the Lead Director, is the appropriate leadership structure for our Company at this time and allows the Board to fulfill its role with appropriate independence.

Corporate Governance, Board Matters and Committees

The Board of Directors has determined that each of its incumbent members, except for Dr. Sherwood, is "independent" within the meaning of director independence standards of the NASDAQ Stock Market, Inc. ("NASDAQ") and the SEC. The Board of Directors based these determinations primarily on a review of the responses of each director to questions regarding employment and compensation history, affiliations and family and other relationships and on other relevant discussions with the directors.

Independent directors meet periodically in executive sessions without management participation. The executive sessions generally occur in connection with regularly scheduled meetings of the Board of Directors, committees of the Board of Directors and at other times the independent directors deem appropriate. The executive sessions are chaired either by the Lead Director or by the chair of the Board committee having jurisdiction over the particular subject matter to be discussed at the particular meeting or portion of a meeting.

Anika Therapeutics' Board of Directors met six (6) times during 2013. No director attended less than 80% of the aggregate of: (1) the total number of Board meetings, and (2) the total number of meetings held by all committees on which such director served. Our Annual Meeting of Stockholders is generally held to coincide with one of the Board's regularly scheduled meetings. Directors are strongly encouraged to attend the Annual Meeting. Each of the then current directors attended the 2013 Annual Meeting of Stockholders.

The Board of Directors currently has three standing committees:

Audit Committee;

Compensation Committee; and

Governance and Nominating Committee.

The Board of Directors has adopted a written charter for each of the Audit Committee, the Compensation Committee, and the Governance and Nominating Committee. The Audit Committee has adopted a Code of Business Conduct and Ethics that applies to all of our employees, officers and directors. You can find links to these materials in the corporate governance section of our website at <http://www.anikatherapeutics.com>. Please note that the information contained on the website is not incorporated by reference in, or considered to be a part of, this proxy statement.

Audit Committee. The current members of the Audit Committee are Mr. Land, as Chairperson, Dr. Bower, and Mr. Moran. Messrs. Land and Moran and Dr. Bower served on the Audit Committee throughout 2013. The Board of Directors has determined that each member of the Audit Committee meets the independence requirements promulgated by NASDAQ and the SEC, including Rule 10A-3(b)(1) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). In addition, the Board of Directors has determined that each member of the Audit Committee is financially literate and has the requisite financial sophistication. In addition, the Board of Directors has determined that Mr. Land qualifies as an "audit committee financial expert" under the rules of the SEC. Stockholders should understand that this designation is a disclosure requirement of the SEC related to Mr. Land's experience and understanding with respect to certain accounting and auditing matters. The designation does not impose upon Mr. Land any duties, obligations or liability that are greater than those that are generally imposed on him as a member of the Audit Committee and the Board of Directors, and his designation as an audit committee financial expert pursuant to this SEC requirement does not affect the duties, obligations or liability of any other member of the Audit Committee or the Board of Directors.

The purposes of the Audit Committee are, among other things, to (1) oversee the accounting and financial reporting processes of Anika Therapeutics and the audits of its financial statements, (2) take or recommend that the Board of Directors take appropriate action to oversee the qualifications, independence and performance of Anika Therapeutics' independent registered public accounting firm, and (3) prepare an Audit Committee report as required by the SEC to be included in Anika Therapeutics' annual proxy statement. The Audit Committee has direct authority to appoint, retain, oversee and, when appropriate, terminate Anika Therapeutics' independent registered public accounting firm. The Audit Committee also has the responsibility to confer with the independent registered public accounting firm regarding the scope, method and result of the audit of our books and records, and to report the same to the Board of Directors and to establish and monitor a policy relative to non-audit services provided by the independent registered public accounting firm in order to ensure their independence.