

<b>STRATA SKIN SCIENCES, INC.</b>		
<b>Title:</b>	DOMESTIC AND FOREIGN ANTI-CORRUPTION POLICY	Policy #: COM: 003
<b>Department Ownership:</b>	Compliance	
<b>Approved by and Title:</b>	Board of Directors	
<b>Initial Issue Date:</b>	November 4, 2015	Revised Date: March 11, 2019

## SCOPE

“STRATA” (the “Company”) as used throughout this Policy, refers to the entire Corporate Group and is meant to include all subsidiaries and business offices of the Parent Company, both domestic and international, and all individuals employed therein. This Policy is applicable to any person or entity acting on behalf of or representing the Company. This includes any board member, executive, director, officer, manager, employee or agent (including temporary employee or independent contractor/subcontractor) of the Parent Company or any of its Subsidiaries worldwide. All individuals subject to this Policy are expected to read and sign it acknowledging their receipt and understanding of the contents herein.

## INTRODUCTION

STRATA Skin Sciences, Inc. has a strict anti-corruption and bribery policy. STRATA does not pay or accept and does not condone paying or accepting bribes to or from anyone. All persons or entities subject to this Policy may not give or offer bribes, kickbacks, or similar payment or consideration of any kind, either directly or indirectly, to:

- a federal U.S. state, local or foreign government official;
- customers or potential customers, persons, or affiliate entities of the Corporate Group whether at home or abroad;
- a government official, political party, candidate for political office; or
- any intermediaries, such as agents, attorneys or consultants.

All persons or entities subject to this Policy are prohibited from intentionally exercising improper influence upon such persons in an effort to:

- obtain or retain business;
- influence a business decision;
- influence official acts or decisions of that person or entity;
- obtain a business advantage for, or direct business to, the Company;
- expedite a process; and/or
- secure an unfair advantage.

Similarly, all those subject to this Policy are prohibited from accepting or receiving bribes, kickbacks, or similar payment or consideration of any kind, whether at home or abroad, from any person or entity which is intended to, or which may be perceived as being intended to:

- influence a business decision being made by STRATA board members, executives, officers, or personnel;
- obtain or retain business with STRATA;
- obtain a business advantage for, or direct business to, any entity that the Briber represents;

- facilitate a deal based on bribery or other form of illegal payment or action; and/or
- perform other forms of illegal action(s) which may result in the improper disclosure or concealment of reportable information or record.

Everyone covered by this policy must also take care to not accept or make any payment, legal or illegal, which may bring embarrassment or negative publicity to the Company. Prior to offering anything to or accepting anything from a government official, employees must obtain approval from the Legal Department.

## **BRIBERY OF GOVERNMENT OFFICIALS**

Gifts, meals, entertainment, or favors may not be offered, delivered or promised to any government official or employee with the intent of influencing the official or employee to make a decision favorable to the Company. A “government official” includes:

- any official or employee of a government or government-owned enterprise,
- any official or employee of a government agency or regulatory authority,
- any political candidate or member of a political party,
- any public international organization or an official or employee thereof, or
- any person acting in an official capacity for or on behalf of any of the foregoing.

Government includes local, regional, and national governments and the legislative, judicial, administrative and executive branches. Payments made to members of a government official’s family in order to influence the government official are also prohibited.

Gifts, meals, or other forms of entertainment offered to a government official or employee on behalf of this Company may not exceed \$20 at any time or more than \$50 per year. Each branch of state and federal government and their various agencies have their own specific rules and regulations which govern the acceptance of gratuities. As such, STRATA employees and agents must be sure to abide by the applicable regulations governing gifts, meals, and entertainment.

Similarly, such gratuities may not be accepted from a government official or employee in exchange for a favor by STRATA. Such acts are illegal and could result in serious criminal and civil penalties for both the acceptor and STRATA. The possible appearance of bribe or attempt to influence must be avoided.

## **CORRUPTION**

“Corruption” is defined as the willingness to act dishonestly in return for money or personal gain. By wrongly benefiting a few individuals who abuse their power or position, corruption creates unfair competition, damages innovation and undermines integrity.

### **UNITED STATES FOREIGN CORRUPT PRACTICES ACT (FCPA)**

**Reference: 15 U.S.C. §§ 78dd-1, et seq.**

The FCPA is governed domestically by the U.S. Department of Justice (DOJ) and the Securities and Exchange Commission (SEC). The law is broad and applies to:

- U.S citizens, nationals, or residents,
- businesses organized or holding a principal place of business within the U.S.,
- foreign persons and entities and foreign subsidiaries of U.S. companies, and

- foreign companies that have securities listed on the national securities exchange such as NASDAQ and the New York Stock Exchange.

The FCPA makes it unlawful for any of the above named individuals or entities to corruptly offer, pay, promise to pay or authorize the payment, directly or indirectly through any person or firm, of anything of value to a foreign official, foreign political party or candidate for foreign political office for the purpose of influencing the foreign official or inducing the official to influence the acts or decisions of a foreign government body in order to obtain or retain business.

An “item of value” is generally defined as any tangible and/or intangible benefit(s) that an official subjectively believes to be of value. Such items include, but are not limited to: cash, gifts, meals, business opportunities, and entertainment consisting of lavish affairs or extravagant trips. Any amount could be construed as a bribe so long as it has a value; there is no established monetary threshold.

## **LEGAL CONSEQUENCES OF VIOLATION**

Violations under the FCPA can consist of civil and criminal penalties, sanctions, and remedies (including fines, disgorgement, and/or imprisonment), the Company being debarred from government contracting, and/or personal liability for board members and/or Company Executives.

## **INTERNATIONAL ANTI-CORRUPTION LAWS**

Because of the damage corruption does to the public good, it is illegal around the world and each country has its own anti-corruption laws that must be followed. For purposes of this Policy, it should be assumed that these anti-corruption laws apply to everyone and every party associated with STRATA, worldwide.

Many countries have established anti-corruption and bribery laws that make it a crime for certain classes of persons or entities to bribe domestic or foreign government officials to assist in obtaining or retaining business. Such laws are established and enforced with the intent to:

- promote honest and ethical business dealings;
- protect the rule of law;
- prevent against criminal activity;
- protect public financial resources;
- protect businesses domestically and internationally by allowing companies to identify their actual costs; and
- protect domestic and international stockholders by permitting access to honest and full disclosure of business records to allow for better business investment decisions.

If you have a question regarding the anti-corruption laws of a particular Country in which STRATA owns property or conducts business, please contact the Company’s in-house Legal Department.

## **FACILITATION OR “GREASE” PAYMENTS**

Facilitating or grease payments are small payments made to low-level government officials. These payments have generally been utilized in order to expedite or secure the performance of “routine governmental actions,” which are limited to a narrow range of non-discretionary acts that are ordinarily and commonly performed by a government official. Facilitation payments are often involved in obtaining non-discretionary permits, licenses or other official documents, expediting lawful customs clearances, obtaining the issuance of entry or exit visas, providing police protection, mail pick-up and delivery,

providing phone service, and performing actions that are wholly unconnected to the award of new business or the continuation of prior business.

Facilitation payments are illegal in almost all countries. It is STRATA policy that the practice of providing facilitating or grease payments by any individual acting on behalf of the Company is strictly forbidden.

### **THIRD PARTY DUE DILIGENCE**

STRATA recognizes that there are circumstances in which relationships with third parties such as agents and referral partners will be required or prudent from a commercial perspective. However, public corruption often occurs when companies use third parties as intermediaries to obtain business or influence action on their behalf. Anti-corruption laws do not always differentiate between acts made by the Company or by someone acting on the Company's behalf. As such, the Company can face liability under anti-corruption laws based on improper payments made by its subsidiaries, joint venture or other business partners, agents, consultants, referral partners, resellers, suppliers or anyone performing services on STRATA's behalf, regardless of whether STRATA had any knowledge of the improper payments. For that reason, it is imperative that the Company only deal with third-party intermediaries who are prepared to apply the same standards of business conduct as STRATA does for itself.

In those circumstances where third-party relationships are required, STRATA must choose its agents, consultants, referral partners, resellers and other representatives very carefully. Prior to entering into an agreement with any such third-party, appropriate due diligence must be performed in accordance with STRATA's current policies and procedures with regard to the due diligence and retention of third-party intermediaries by the Company. It is the responsibility of the relevant Subsidiary or Department looking to engage an agent, consultant, channel partner, reseller or other representative to read and understand the requirements of STRATA's Policies and Procedures (including the Code of Business Conduct and Ethics and Whistleblower Hotline Policy and Procedure in addition to this one).

The most important factor to be considered is the person's/entity's activities, regardless of job title or description. Individuals should consult the STRATA Legal Department if questioning the validity of a relationship with a particular third-party.

Employees or agents may never do through any third-party what they may not do directly through STRATA. Authorizing or encouraging any third-party, including a distributor, reseller or referral partner to pay bribes or engage in other misconduct is a violation of Company policy and anti-corruption laws. Even the knowledge of an improper payment or illegal activity can lead to civil and criminal liability against the Company and quite possibly for the individual with knowledge. In some instances, STRATA can be held criminally liable for bribes paid on its behalf by anyone performing services for it even though the Company did not have any knowledge of the bribes.

### **COMPLIANCE WITH THIS POLICY AND LAW**

STRATA has adopted this Policy to provide guidance to our employees and agents in complying with the provisions of global anti-corruption laws. All STRATA board members, executives, directors, officers, managers, employees and agents must comply with the laws and standards set forth in this policy, regardless of personal location or place of business. Compliance with this Policy and these laws is a condition of continued employment or association with STRATA. Actual or attempted bribing of a domestic or foreign government official by any representative of STRATA is a crime and will not be tolerated. Any alleged breach will be investigated and disciplinary action will be taken as appropriate.

If a board member, executive, officer, manager, employee or agent of this Company is found to have violated this Policy, they will be terminated immediately and the Company will be required to turn the guilty party in to the necessary authorities. In addition, if damages to the Company result from the guilty party's actions, STRATA retains the right to take legal action against the guilty party.

Failure by Company Personnel to comply with this Policy may expose the Company to substantial risk and could jeopardize its operations and reputation. Violations of certain anti-corruption laws may subject individual STRATA personnel to potentially severe consequences, including criminal penalties, imprisonment, civil liability, and the payment of individual and corporate fines.

The standards, definitions, and prohibitions set forth under each law may vary. If you have any questions about this Policy or are unsure of a transaction in which you or another employee(s) are involved, or as to the acceptability or appropriateness of any gift, meal, or entertainment proposed to you, you should immediately contact a member of the Legal Department for clarification. Corporate Counsel will report any gifts received or offered to you to the appropriate committee on the Board of Directors, which will determine how such gifts should be handled. Additional rules specifying changes in permissions and restrictions on the provisions set forth in this Policy are subject to change at any time due to new or anticipated updates in government laws, agency regulations, or acceptable industry practice. In the event of such changes, the company's board members, executives, directors, officers, employees and agents will all be notified immediately by a member of the Legal Department.

## **REPORTING A BRIBERY OR CORRUPTION VIOLATION**

Taking action to prevent problems is part of this Company's culture. This Policy cannot address all situations which employees might encounter. It may be possible that the Company is unaware of a situation in which actual or attempted bribery or corruption are occurring in which its board members, executives, managers, supervisors, employees or agents are involved. Therefore, STRATA relies on the assistance of individuals to report such instances as they happen so that timely investigations and proper actions can be taken to curtail these offenses. If an individual observes what is believed to be bribery or corruption as outlined above, they are encouraged to report their concerns. Employees and others involved with the Company are urged to come forward with any such information, without regard to the identity or position of the suspected offender.

## **IN-HOUSE LEGAL DEPARTMENT**

Employees should promptly report violations of laws, rules, regulations or this Policy to the Company's in-house Legal Department. Any report or allegation of a violation of applicable laws, rules, regulations or this Policy need not be signed and may be sent anonymously. All reports of violations of this Policy, including reports sent anonymously, will be promptly investigated and, if found to be accurate, will be acted upon in a timely and according manner.

The in-house Legal Department may be contacted as follows:

Jay Sturm, Esq.  
General Counsel  
STRATA Skin Sciences, Inc.  
5 Walnut Grove Drive, Suite 140  
Horsham, PA 19044  
215-619-3285  
jsturm@strataskin.com

## WHISTLEBLOWER / COMPLIANCE HOTLINE

STRATA has established a Whistleblower / Compliance Hotline to provide a way for board members, executives, officers, employees and agents of STRATA to anonymously report a concern or obtain information or advice. Employees and others may communicate suspected violations of law, policy, or other wrongdoing, as well as any concerns regarding questionable accounting or auditing matters (including deficiencies in internal controls) by contacting Lighthouse Services, Inc., a third-party contractor STRATA has engaged to receive communications about suspected violations, wrongdoing or questionable accounting matters. Reporters can be assured that any information will be treated with confidence to the best extent possible.

Lighthouse will receive anonymous reports, as well as reports in which the caller chooses to give his or her name. Calls to the Compliance Hotline will not be traced or recorded and callers may remain anonymous if they so choose. Representatives of the Compliance Hotline will listen to your concerns, ask questions and review the information provided. They will then forward your matter to the Chairman of the Audit Committee of the Board of Directors and the appropriate Designated Recipient within the Company, who will take action appropriate and compliant with applicable legal requirements, including the requirements of the Sarbanes-Oxley Act of 2002.

The Hotline is available 24 hours a day, 7 days a week, and 365 days a year. You may contact Lighthouse through any of the following methods:

<b>English speaking USA and Canada:</b>	1-844-280-0005
<b>Spanish speaking USA and Canada:</b>	1-800-216-1288
<b>French speaking Canada:</b>	1-855-725-0002
<b>Spanish speaking Mexico:</b>	01-800-681-5340
<b>All other Countries North America:</b>	1-800-603-2869 ( <a href="#">click here</a> for access codes and dialing outside of instructions)
<b>Website:</b>	<a href="http://www.lighthouse-services.com/Strataskin">www.lighthouse-services.com/Strataskin</a>
<b>Email:</b>	<a href="mailto:reports@lighthouse-services.com">reports@lighthouse-services.com</a>
<b>Fax (USA):</b>	215-689-3885 (must include Company name with report)
<b>Mail:</b>	Lighthouse Services, Inc., 1710 Walton Road, Suite 204 Blue Bell, PA 19422.

## DISSEMINATION AND AMENDMENT

This Policy shall be distributed to each new executive, officer, manager, supervisor, employee and agent of the Company upon commencement of his or her employment or other relationship with the Company and shall also be distributed annually, in the fourth quarter, to each executive, officer, manager, supervisor, employee and agent of the Company, and each shall certify that he or she has received, read and understood the Policy and will comply with its terms. Dissemination of the Policy will take place electronically.

In accordance with the requirements of the Sarbanes-Oxley Act of 2002 and COSO 2014, this Policy will also be distributed to the Company's key affiliated third-party vendors and contractors, both domestically and internationally. Dissemination to all such third-parties will take place electronically, where possible.

The Company reserves the right to amend or alter this Policy at any time for any reason. If this Policy is amended or altered, it will be redistributed to all pertinent individuals.

## QUESTIONS

If you have any questions regarding this policy, please contact:

**Name:** Jay Sturm  
General Counsel

**Address:** STRATA Skin Sciences, Inc.  
5 Walnut Grove Drive, Suite 140  
Horsham, PA 19044

**Phone:** 215-619-3285  
**Fax:** 215-619-3209  
**Email:** jsturm@strataskin.com

*Adopted by Resolution of the STRATA Skin Sciences, Inc. Board of Directors: November 4, 2015  
Amended by the STRATA Skin Sciences, Inc. Board of Directors: October 26, 2017  
Amended by the STRATA Skin Sciences, Inc. Board of Directors: June 4, 2018  
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