

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

FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of report (Date of earliest event reported): May 23, 2018

STRATA  
SKIN SCIENCES

STRATA SKIN SCIENCES, INC.  
(Exact Name of Registrant Specified in Charter)

Delaware  
(State or Other  
Jurisdiction of  
Incorporation)

000-51481  
(Commission File  
Number)

13-3986004  
(I.R.S. Employer  
Identification No.)

100 Lakeside Drive, Suite 100, Horsham, Pennsylvania  
(Address of Principal Executive Offices)

19044  
(Zip Code)

Registrant's telephone number, including area code: 215-619-3200

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 1.01. Entry into a Material Definitive Agreement.**Closing of Equity Financing Agreements

On May 29, 2018, STRATA Skin Sciences, Inc. (the "Company") completed the sale and issuance of 15,740,741 shares of the Company's common stock, subject to customary post-closing adjustments, to a group of investors led by Accelmed Growth Partners L.P. ("Accelmed") for gross proceeds of \$17.0 million at a per share price of \$1.08. The Company incorporates by reference the description of the securities purchase agreements set forth in the Company's Form 8-K current report filed with the Securities and Exchange Commission (the "SEC") on April 2, 2018.

Fourth Amendment – MidCap Credit and Security Agreement

On May 29, 2018, we entered into a Fourth Amendment to Credit and Security Agreement (the "MidCap Amendment") with Midcap Financial Trust ("MidCap"), pursuant to which the Company repaid \$3.0 million in principal of the existing \$10.6 million credit facility established with MidCap in 2015. The terms of the credit facility have been amended to impose less restrictive covenants and lower prepayment and exit fees for the Company. The description of the MidCap Amendment is qualified in its entirety by reference to the Exhibit 10.1 filed with this Form 8-K report.

**Item 3.02 Unregistered Sale of Securities.**

The Company incorporates by reference the description set forth in Item 1.01 regarding the issuances of shares of the Company's common stock under the securities purchase agreements for gross proceeds of \$17.0 million at a per share price of \$1.08. A description of the issuance of the shares of the Company's common stock in the closing under the stock purchase agreements is as follows:

<u>Names of Purchasers</u>	<u>Per Share Purchase Price</u>	<u>Gross Proceeds</u>	<u>No. of Shares Issued</u>
AGP SPVI, L.P.	\$ 1.08	\$ 13,000,000	12,037,037
Broadfin Healthcare Master Fund, Ltd.	\$ 1.08	\$ 1,000,000	925,926
Sabby Volatility Warrant Master Fund	\$ 1.08	\$ 750,000	694,444
Sabby Healthcare Master Fund, Ltd.	\$ 1.08	\$ 250,000	231,482
Dolev Rafaeli	\$ 1.08	\$ 1,000,000	925,926
Gohan Investments Ltd.	\$ 1.08	\$ 1,000,000	925,926

The Company relied upon the exemption from registration under the Securities Act of 1933 (the "1933 Act") afforded by Section 4(a)(2) of the 1933 Act, transactions by an issuer not involving any public offering.

**Item 5.01. Changes in Control of Registrant.**

The Company incorporates by reference the description of the closing under the securities purchase agreements with the investors set forth in Item 1.01 and Item 3.02 of this Form 8-K report and the description to the changes in the Company's Board of Directors as set forth in Item 5.02 of this Form 8-K report.

Under Nasdaq Listing Rule 5635(b), Nasdaq defines a "change of control" as occurring when, as a result of an issuance, an investor or group would own, or have the right to acquire 20% or more of the outstanding shares of common stock or the voting power of a company, and such ownership or voting power would be the largest ownership position. Upon closing under the Accelmed securities purchase agreement on May 29, 2018, Accelmed holds (a) approximately 36% of the issued and outstanding voting stock of the Company, assuming each of Broadfin and Sabby owns up to 9.99% of the Company's common stock consistent with their "blockers," and (b) approximately 37% of the Company's issued and outstanding capital stock, assuming the conversion of all outstanding shares of Series C Preferred Stock regardless of the "blockers," but not including outstanding stock options and warrants. The Company's stockholders approved the change of control and the issuance of the shares to the investors at the Company's special meeting of stockholders held on May 23, 2018.

**Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**Changes to the Board of Directors

As set forth in the Accelmed Stock Purchase Agreement, on May 23, 2018, directors James Coyne, Frank McCaney, Jeffrey O'Donnell, Sr., David Stone, and Kathryn Swintek resigned their positions as Board members effective with the closing of the equity investment under the securities purchase agreements on May 29, 2018. On May 23, 2018, the full Board of Directors unanimously approved the appointment of Uri Geiger, David Gill, Nachum Shamir, Samuel Rubinstein, and Dolev Rafaeli as Board members to fill the vacancies created by the resignations effective on May 29, 2018. Continuing on as Board members are LuAnn Via and Samuel Navarro.

Mr. Geiger will serve as Chairman of the Board.

The following sets forth certain biographical information concerning the new members of the Company's Board of Directors upon closing of the Transaction:

Uri Geiger

Dr. Uri Geiger, age 50, will become Chairman of the Board of Directors of the Company effective upon closing of the Transaction. Dr. Geiger has served as Managing Partner of Accelmed, a private equity investment firm he co-founded in 2009 focused on medical device companies. Prior to founding Accelmed, Dr. Geiger served as the CEO of Exalenz Bioscience Ltd., a medical technology company, from May 2006 until December 2008. Prior to that,

Dr. Geiger co-founded and was the CEO of GalayOr Networks, a developer of optical components from 2001 until 2003. Dr. Geiger was also the founding partner of Dragon Variation Fund in 2000, one of Israel's first hedge funds, which was sold to Migdal in 2007. Dr. Geiger worked on Wall Street during the 1990s, where he gained a broad understanding of and significant experience in capital markets. Dr. Geiger was formerly an adjunct professor at Tel Aviv University's Recanati School of Business where he lectured on private equity and venture capital and authored the books "Startup Companies and Venture Capital" and "From Concept to Wall Street." Dr. Geiger previously served on the board of directors of EndoChoice Holdings Inc. from January 2014 until March 2016.

*Dolev Rafaeli*

Dr. Dolev Rafaeli, age 54, was appointed the Company's Interim Chief Executive Officer effective April 10, 2018 and will become the Company's Chief Executive Officer effective upon closing of the Transaction. Dr. Rafaeli has over 25 years of experience in the healthcare, medical device, consumer and industrial services fields. He served as a Member of the Board of Directors of the company that founded the XTRAC, PhotoMedex (Nasdaq and TASE: PHMD) since 2011 and was its CEO from 2006 to 2017. Under his management at PhotoMedex, he oversaw sales growth from \$19 million to over \$300 million, driven by increases in brand portfolio, distribution channels and M&A transactions. He was President and CEO of Radiancy, a subsidiary of PhotoMedex, from 2006 to 2017. He also served as General Manager of Orbotech in China and Hong Kong, and held senior positions at Motorola. Dr. Rafaeli holds a Ph.D. in Business Administration from Century University in New Mexico, an MBA (with distinction) from Cornell University, Masters Degrees from the Technion in Haifa, Israel and a B.Sc. in Industrial Engineering and Management from the Technion in Israel.

*David N. Gill*

David N. Gill, age 63, served as the President and Chief Financial Officer of EndoChoice, Inc., a medical device company focused on gastrointestinal disease from April 2016 through the sale of the company in November 2016 and as Chief Financial Officer from August 2014 to April 2016. Previously, he served as the Chief Financial Officer of INC Research, a clinical research organization, from February 2011 to August 2013 after having served as a board member and its audit committee chairman from 2007 to 2010. Mr. Gill was the Chief Financial Officer of TransEnterix, Inc., a medical device company focused on general surgery, from March 2009 to February 2011. Mr. Gill currently serves on the boards of Melinta Therapeutics, Inc., an infectious disease company, Histogenics Corporation, a restorative cellular therapy company, Evolus, Inc, an aesthetics company, and YmAbs Therapeutics, Inc. an immuno-oncology company. Mr. Gill previously served as a director of two public life science companies, LeMaitre Vascular, Inc. and IsoTis OrthoBiologics, Inc. as well as several private life science companies from 2006 to 2009. Earlier in his career Mr. Gill served in a variety of senior executive leadership roles for several medical device and information technology companies including NxStage Medical, CTI Molecular Imaging, Inc., Interland Inc., Novoste Corporation and Dornier Medical. Mr. Gill holds a B.S. degree, cum laude, in Accounting from Wake Forest University and an M.B.A. degree, with honors, from Emory University, and was formerly a certified public accountant.

*Shmuel (Samuel) Rubinstein*

Shmuel Rubinstein (known by his nickname-Milky) Rubinstein, age 78, has served for over 20 years as the Chief Executive Officer and General Manager of Taro Pharmaceuticals Industries, a NASDAQ traded dermatology company. Under his management, Taro grew to become a multinational company with over 1000 employees worldwide and turnover of close to \$450 million. In 2003 Mr. Rubinstein received the Exceptional Industrialist award. During this period he also finished an International Marketing Course at the Wharton School of the University of Pennsylvania. Mr. Rubinstein serves as a board member in Clal Biotechnology Industries, Exalenz, Medison Biotech, Trima Pharma, Myscent Diagnostics, and as consultant to BDO and Sol-Gel Pharma. Mr. Rubinstein is also a director at the Medical Research Fund, The Tel Aviv Sourasky Medical Center and The National Authority for Yiddish Culture.

*Nachum (Homi) Shamir*

Nachum (Homi) Shamir, age 64, has been the President and Chief Executive Officer of Luminex Corporation since October 2014. Mr. Shamir previously served, from 2006 to 2014, as President and CEO of Given Imaging, a developer, manufacturer, and marketer of diagnostic products for the visualization and detection of disorders of the gastrointestinal tract. Prior to joining Given Imaging, Mr. Shamir was Corporate Vice President of Eastman Kodak Company and President of Eastman Kodak's Transaction and Industrial Solutions Group. Additionally, he served over 10 years at Scitex Corporation in positions of increasing responsibility, including President and CEO from 2003 to 2004. Prior to Scitex Corporation, Mr. Shamir held senior management positions at various international companies mainly in the Asia Pacific regions. Mr. Shamir currently serves as a director in Luminex Corp (LMNX) and previously served in Given Imaging (GIVN) Congentix Medical (CGNT) and Invendo Medical GMBH. Mr. Shamir holds a Bachelor of Science from the Hebrew University of Jerusalem and a Masters of Public Administration from Harvard University.

Stock Option Grants to CEO and CFO

On May 23, 2018, the Board of Directors granted stock options as follows: (i) stock options to purchase 1,413,249 shares of common stock at an exercise price of \$1.66, the closing price of the Company's common stock on the Nasdaq Capital Market on May 23, 2018, to Dolev Rafaeli, the Company's President and Chief Executive Officer pursuant to the terms of his employment agreement and (ii) stock options to purchase 250,000 shares of common stock at an exercise price of \$1.66, the closing price of the Company's common stock on the Nasdaq Capital Market on May 23, 2018, to Matthew Hill, the Company's Chief Financial Officer pursuant to the terms of his employment agreement.

**Item 5.03. Amendment to Articles of Incorporation or Bylaws.**

On May 23, 2018, The Company amended its Fourth Amended and Restated Bylaws pursuant to the provisions of the Securities Purchase Agreement between the Company and Accelmed. The new bylaw provision provides that absent approval by a vote of a majority of non-affiliated stock, with certain exceptions, any transaction between the Company or any of its

subsidiaries and Accelmed or any of its affiliates shall require the approval of an independent committee of the Company's Board of Directors and certain other requirements.

After the closing, the Company has agreed under the Accelmed Securities Purchase Agreement to take all corporate actions necessary to further amend the Bylaws to remove the provision prohibiting stockholder action by written consent, board protective provisions, and such other amendments to implement the terms of the Accelmed Securities Purchase Agreement. In addition, after the closing, upon demand of Accelmed, the Company has agreed to take all corporate actions necessary to amend and restate the Company's certificate of incorporation to (i) delete the prohibition on removing directors other than for cause, (ii) providing for preemptive rights to Accelmed, major stockholders, and certain additional investors, (iii) implement customary protective provisions for Accelmed, (iv) remove board protective provisions and (v) delete the designations of the series of preferred stock that have no shares outstanding.

The information provided in this Item 5.03 is qualified in its entirety by reference to the Company's Fourth Amended and Restated Bylaws, as amended, which is filed as Exhibit 3.2 to this Form 8-K report.

**Item 7.01. Regulation FD Disclosure.**

On May 29, 2018 the Company issued a press release announcing that it had closed on a \$17.0 million investment round, amended a financing agreement, and certain other matters. A copy of the press release is furnished herewith as Exhibit 99.1. On May 29, 2018, the "Company posted an investor presentation to its website at <http://investors.strataskinsciences.com/investors/home>. A copy of the investor presentation is attached as Exhibit 99.1 to this Current Report on Form 8-K.

The information in this Current Report on Form 8-K, including Exhibit 99.1 attached hereto, is being furnished and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that Section, nor shall it be deemed subject to the requirements of amended Item 10 of Regulation S-K, nor shall it be deemed incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date hereof, regardless of any general incorporation language in such filing. The furnishing of this information hereby shall not be deemed an admission as to the materiality of any such information.

**Safe Harbor Statement**

Statements in this report that are not strictly historical in nature constitute "forward-looking statements." Such statements include, but are not limited to, the Company's continuing efforts to implement changes to our business with the goal of enhancing our strategic position in the medical and aesthetic dermatology market; ability to achieve growth in recurring revenues and other business sectors, ability to achieve and sustain a successful direct to customer marketing strategy and execution of that strategy, and the ability to obtain regulatory approval and then develop a market. Such forward-looking statements involve known and unknown risks,

uncertainties and other factors that may cause actual results to be materially different from any results expressed or implied by such forward-looking statements. All forward-looking statements are qualified in their entirety by this cautionary statement. The Company is providing this information as of this date and does not undertake any obligation to update any forward-looking statements contained in this report as a result of new information, future events or otherwise.

**Item 9.01. Financial Statements and Exhibits.**

**Exhibit No.      Exhibit Description**

3.2	<a href="#">Fourth Amended and Restated Bylaws of Strata Skin Sciences, Inc. (Adopted July 15, 2015, as amended January 5, 2016 and May 23, 2018).</a>
10.1	<a href="#">Fourth Amendment to Credit and Security Agreement.</a>
99.1	<a href="#">Press release Dated May 29, 2018.</a>
99.2	Investor Presentation.

EXHIBIT INDEX

<u>Exhibit No</u>	<u>Exhibit Description</u>
3.2	Fourth Amended and Restated Bylaws of Strata Skin Sciences, Inc. (Adopted July 15, 2015, as amended January 5, 2016 and May 23, 2018).
10.1	Fourth Amendment to Credit and Security Agreement.
99.1	Press release Dated May 29, 2018.
99.2	Investor Presentation.

**SIGNATURE**

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 hereunto duly authorized.

STRATA SKIN SCIENCES, INC.

By: /s/ Dolev Rafaeli  
Dolev Rafaeli  
President and Chief Executive Officer

Date May 29, 2018



**FOURTH AMENDED AND RESTATED  
BYLAWS  
OF  
STRATA SKIN SCIENCES, INC.**

**(Adopted July 15, 2015, as amended January 5, 2016 and May 23, 2018)**

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**STOCKHOLDERS**

**Section 1.1 Annual Meetings.** An annual meeting of stockholders shall be held for the election of directors at such date and time as the Board of Directors shall each year fix. The meeting may be held either at a place, within or without the State of Delaware, or by means of remote communication as the Board of Directors in its sole discretion may determine. Any other proper business may be transacted at the annual meeting.

**Section 1.2 Special Meetings.** Special meetings of stockholders for any purpose or purposes may be called at any time by the Board of Directors, and shall be called upon the request of the Chairperson of the Board of Directors, the Chief Executive Officer, or by a majority of the members of the Board of Directors. Special meetings may not be called by any other person or persons.

**Section 1.3 Notice of Meetings.** Notice of all meetings of stockholders shall be given in writing or by electronic transmission in the manner provided by law (including, without limitation, as set forth in Section 7.1(b) of these Bylaws) stating the date, time and place, if any, of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Unless otherwise required by applicable law or the Certificate of Incorporation of the Corporation, such notice shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder of record entitled to vote at such meeting.

**Section 1.4 Adjournments.** The chairperson of the meeting shall have the power to adjourn the meeting to another time, date and place (if any), whether or not a quorum of stockholders is present, in person or by proxy, at the meeting. Any meeting of stockholders may adjourn from time to time, and notice need not be given of any such adjourned meeting if the time, date and place (if any) thereof are announced at the meeting at which the adjournment is taken; provided, however, that if the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, then a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. At the adjourned meeting the Corporation may transact any business that might have been transacted at the original meeting. The Board of Directors may postpone or reschedule any previously scheduled special or annual meeting of stockholders, in which case notice shall be provided to the stockholders of the new date, time and place, if any, of the meeting as provided in Section 1.3 above.

**Section 1.5 Quorum.** At each meeting of stockholders the holders of one-third of the shares of stock entitled to vote at the meeting, present in person or represented by proxy, shall constitute a quorum for the transaction of business, unless otherwise required by applicable law. If a quorum shall fail to attend any meeting, the chairperson of the meeting may adjourn the meeting. Shares of the Corporation's stock belonging to the Corporation (or to another corporation, if a majority of the shares entitled to vote in the election of directors of such other corporation are held, directly or indirectly, by the Corporation) shall neither be entitled to vote nor be counted for quorum purposes; provided, however, that the foregoing shall not limit the right of the Corporation or any other corporation to vote any shares of the Corporation's stock held by it in a fiduciary capacity and to count such shares for purposes of determining a quorum.

**Section 1.6 Organization.** Meetings of stockholders shall be presided over by such person as the Board of Directors may designate, or, in the absence of such a person, the Chairperson of the Board of Directors, or, in the absence of such person, the President of the Corporation, or, in the absence of such person, such person as may be chosen by the holders of a majority of the shares entitled to vote who are present, in person or by proxy, at the meeting. Such person shall be chairperson of the meeting and, subject to Section 1.11 hereof, shall determine the order of business and the procedure at the meeting, including such regulation of the manner of voting and the conduct of discussion as seems to him or her to be in order. The Secretary of the Corporation shall act as secretary of the meeting, but in such person's absence the chairperson of the meeting may appoint any person to act as secretary of the meeting.

**Section 1.7 Voting; Proxies.** Unless otherwise provided by law or the Certificate of Incorporation of the Corporation, and subject to the provisions of Section 1.8 of these Bylaws, each stockholder shall be entitled to one (1) vote for each share of stock held by such stockholder. Each stockholder entitled to vote at a meeting of stockholders may authorize another person or persons to act for such stockholder by proxy. Such a proxy may be prepared, transmitted and delivered in any manner permitted by applicable law. Directors shall be elected by a plurality of the votes of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors. Unless otherwise provided by applicable law, the Certificate of Incorporation of the Corporation or these Bylaws, every matter other than the election of directors shall be decided by the affirmative vote of the holders of a majority of the shares of stock entitled to vote thereon that are present in person or represented by proxy at the meeting and are voted for or against the matter.

**Section 1.8 Fixing Date for Determination of Stockholders of Record.** In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors and which shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting, nor more than sixty (60) days prior to any other action. If no record date is fixed by the Board of Directors, then the record date shall be as provided by applicable law. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

**Section 1.9 List of Stockholders Entitled to Vote.** A complete list of stockholders entitled to vote at any meeting of stockholders, arranged in alphabetical order and showing the address of each stockholder and the number of shares registered in the name of each stockholder, shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either on a reasonably accessible electronic network as permitted by law (provided that the information required to gain access to the list is provided with the notice of the meeting) or during ordinary business hours at the principal place of business of the Corporation. If the meeting is held at a place, the list shall also be produced and kept at the time and place of the meeting during the

whole time thereof and may be inspected by any stockholder who is present at the meeting. If the meeting is held solely by means of remote communication, then the list shall be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access the list shall be provided with the notice of the meeting.

**Section 1.10 Inspectors of Elections.**

(a) **Applicability.** Unless otherwise provided in the Certificate of Incorporation of the Corporation or required by the Delaware General Corporation Law (the "DGCL"), the following provisions of this Section 1.10 shall apply only if and when the Corporation has a class of voting stock that is: (i) listed on a national securities exchange; (ii) authorized for quotation on an automated interdealer quotation system of a registered national securities association or (iii) held of record by more than 2,000 stockholders; in all other cases, observance of the provisions of this Section 1.10 shall be optional, and at the discretion of the Corporation.

(b) **Appointment.** The Corporation shall, in advance of any meeting of stockholders, appoint one or more inspectors of election to act at the meeting and make a written report thereof. The Corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting of stockholders, the person presiding at the meeting shall appoint one or more inspectors to act at the meeting.

(c) **Inspector's Oath.** Each inspector of election, before entering upon the discharge of his duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of such inspector's ability.

(d) **Duties of Inspectors.** At a meeting of stockholders, the inspectors of election shall (i) ascertain the number of shares outstanding and the voting power of each share, (ii) determine the shares represented at a meeting and the validity of proxies and ballots, (iii) count all votes and ballots, (iv) determine and retain for a reasonable period of time a record of the disposition of any challenges made to any determination by the inspectors and (v) certify their determination of the number of shares represented at the meeting and their count of all votes and ballots. The inspectors may appoint or retain other persons or entities to assist the inspectors in the performance of the duties of the inspectors.

(e) **Opening and Closing of Polls.** The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced by the chairperson of the meeting. No ballot, proxies or votes, nor any revocations thereof or changes thereto, shall be accepted by the inspectors after the closing of the polls unless the Delaware Court of Chancery upon application by a stockholder shall determine otherwise.

(f) **Determinations.** In determining the validity and counting of proxies and ballots, the inspectors shall be limited to an examination of the proxies, any envelopes submitted with those proxies, any information provided in connection with proxies in accordance with Section 211(e) or Section 212(c)(2) of the DGCL, any information provided pursuant to Section 211(a)(2)(B)(i) or (iii) of the DGCL, ballots and the regular books and records of the

Corporation, except that the inspectors may consider other reliable information for the limited purpose of reconciling proxies and ballots submitted by or on behalf of banks, brokers, their nominees or similar persons which represent more votes than the holder of a proxy is authorized by the record owner to cast or more votes than the stockholder holds of record. If the inspectors consider other reliable information for the limited purpose permitted herein, the inspectors at the time they make their certification of their determinations pursuant to this Section 1.10 shall specify the precise information considered by them, including the person or persons from whom they obtained the information, when the information was obtained, the means by which the information was obtained and the basis for the inspectors' belief that such information is accurate and reliable.

**Section 1.11 Notice of Stockholder Business; Nominations.**

(a) Annual Meeting of Stockholders.

(i) Nominations of persons for election to the Board of Directors and the proposal of business to be considered by the stockholders shall be made at an annual meeting of stockholders (A) pursuant to the Corporation's notice of such meeting, (B) by or at the direction of the Board of Directors or (C) by any stockholder of the Corporation who was a stockholder of record at the time of giving of the notice provided for in this Section 1.11, who is entitled to vote at such meeting and who complies with the notice procedures set forth in this Section 1.11.

(ii) For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to clause (C) of subparagraph (a)(i) of this Section 1.11, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation and such other business must otherwise be a proper matter for stockholder action. To be timely, a stockholder's notice must be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the ninetieth (90th) day nor earlier than the close of business on the one hundred and twentieth (120th) day prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is more than thirty (30) days before or more than sixty (60) days after such anniversary date, notice by the stockholder to be timely must be so delivered not earlier than the close of business on the one hundred and twentieth (120th) day prior to such annual meeting and not later than the close of business on the later of the ninetieth (90th) day prior to such annual meeting or the close of business on the tenth (10th) day following the day on which Public Announcement of the date of such meeting is first made by the Corporation. Such stockholder's notice shall 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, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), 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 and (C) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (1) the name and

address of such stockholder, as they appear on the Corporation's books, and of such beneficial owner, and (2) the class and number of shares of the Corporation that are owned beneficially and held of record by such stockholder and such beneficial owner.

(iii) Notwithstanding anything in the second sentence of subparagraph (a)(ii) of this Section 1.11 to the contrary, in the event that the number of directors to be elected to the Board of Directors of the Corporation is increased and there is no Public Announcement by the Corporation naming all of the nominees for director or specifying the size of the increased Board of Directors at least seventy-five (75) days prior to the first anniversary of the preceding year's annual meeting (or, if the annual meeting is held more than thirty (30) days before or sixty (60) days after such anniversary date, at least seventy-five (75) days prior to such annual meeting), a stockholder's notice required by this Section 1.11 shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary of the Corporation at the principal executive offices of the Corporation not later than the close of business on the tenth (10th) day following the day on which such Public Announcement is first made by the Corporation.

(b) Special Meetings of Stockholders. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of such meeting. Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of such meeting (i) by or at the direction of the Board of Directors or (ii) provided that the Board of Directors has determined that directors shall be elected at such meeting, by any stockholder of the Corporation who is a stockholder of record at the time of giving of notice of the special meeting, who shall be entitled to vote at the meeting and who complies with the notice procedures set forth in this Section 1.11. In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the Board of Directors, any such stockholder may nominate a person or persons (as the case may be), for election to such position(s) as specified in the Corporation's notice of meeting, if the stockholder's notice required by subparagraph (a)(ii) of this Section 1.11 shall be delivered to the Secretary of the Corporation at the principal executive offices of the Corporation not earlier than the one hundred fifth (105th) day prior to such special meeting and not later than the close of business on the later of the seventy-fifth (75th) day prior to such special meeting or the tenth (10th) day following the day on which Public Announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting.

(c) General.

(i) Only such persons who are nominated in accordance with the procedures set forth in this Section 1.11 shall be eligible to serve as directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section 1.11. Except as otherwise provided by law or these Bylaws, the chairperson of the meeting shall have 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 this Section 1.11 and, if any proposed nomination or business is not in compliance herewith, to declare that such defective proposal or nomination shall be disregarded.

(ii) For purposes of this Section 1.11, the term "Public Announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to section 13, 14 or 15(d) of the Exchange Act.

(iii) Notwithstanding the foregoing provisions of this Section 1.11, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth herein. Nothing in this Section 1.11 shall be deemed to affect any rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act.

**Section 1.12 No Stockholder Action by Written Consent Without a Meeting.** Subject to the rights of the holders of the shares of any series of Preferred Stock or any other class of stock or series thereof having a preference over the Common Stock as to dividends or upon liquidation, any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of stockholders of the Corporation and may not be effected by any consent in writing by such stockholders.

## ARTICLE II

### BOARD OF DIRECTORS

**Section 2.1 Number; Qualifications.** The Board of Directors shall consist of one or more members. The number of authorized directors shall be fixed from time to time by resolution of the Board of Directors. No decrease in the authorized number of directors constituting the Board of Directors shall shorten the term of any incumbent director. Directors need not be stockholders of the Corporation.

**Section 2.2 Election; Resignation; Removal; Vacancies.** Each director, including a director elected to fill a vacancy, shall hold office until the expiration of the term for which elected and until such director's successor is elected and qualified or until such director's earlier death, resignation or removal. Directors need not be stockholders unless so required by the Certificate of Incorporation of this Corporation or these Bylaws. The Certificate of Incorporation of this Corporation or these Bylaws may prescribe other qualifications for directors. Any director may resign at any time upon notice to the Corporation given in writing or by electronic transmission. Subject to the rights of the holders of any series of Preferred Stock, a director may be removed, with or without cause, by the holders of a majority of the voting power of the shares then entitled to vote at an election of directors. Subject to the rights of the holders of any series of Preferred Stock, any vacancy occurring in the Board of Directors for any cause, and any newly created directorship resulting from any increase in the authorized number of directors, shall, unless as otherwise provided by law, be filled only by the affirmative vote of a majority of the directors then in office, although less than a quorum, or by a sole remaining director.

**Section 2.3 Regular Meetings.** Regular meetings of the Board of Directors may be held at such places, within or without the State of Delaware, and at such times as the Board of Directors may from time to time determine. Notice of regular meetings need not be given if the date, times and places thereof are fixed by resolution of the Board of Directors.

**Section 2.4 Special Meetings.** Special meetings of the Board of Directors may be called by the Chairperson of the Board of Directors, the Chief Executive Officer or a majority of the members of the Board of Directors then in office and may be held at any time, date or place, within or without the State of Delaware, as the person or persons calling the meeting shall fix. Notice of the time, date and place of such meeting shall be given, orally, in writing or by electronic transmission (including electronic mail), by the person or persons calling the meeting to all directors at least four (4) days before the meeting if the notice is mailed, or at least twenty-four (24) hours before the meeting if such notice is given by telephone, hand delivery, telegram, telex, mailgram, facsimile, electronic mail or other means of electronic transmission. Unless otherwise indicated in the notice, any and all business may be transacted at a special meeting.

**Section 2.5 Remote Meetings Permitted.** Members of the Board of Directors, or any committee of the Board, may participate in a meeting of the Board of Directors or such committee by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to conference telephone or other communications equipment shall constitute presence in person at such meeting.

**Section 2.6 Quorum; Vote Required for Action.** At all meetings of the Board of Directors a majority of the total number of authorized directors shall constitute a quorum for the transaction of business. Except as otherwise provided herein or in the Certificate of Incorporation of the Corporation, or required by law, the vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

**Section 2.7 Chairperson.** The Board of Directors may designate a Chairperson of the Board from among the members of the Board of Directors. The Chairperson of the Board shall preside at all meetings of directors and stockholders. The Chairperson of the Board shall serve for such term and shall exercise such powers and perform such other duties as shall be determined from time to time by the Board of Directors. The Chairperson of the Board, in such capacity, shall not be an officer of the Corporation unless designated as an officer by the Board of Directors. In the absence of a Chairperson of the Board, meetings of the Board of Directors shall be presided over by the Chief Executive Officer, if any, or in his or her absence by a presiding person chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his or her absence the presiding person at the meeting may appoint any person present to act as secretary of the meeting.

**Section 2.8 Written Action by Directors.** Any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof, may be taken without a meeting if all members of the Board of Directors or such committee, as the case may be, consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board of Directors or committee, respectively. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

**Section 2.9 Powers.** The Board of Directors may, except as otherwise required by law or the Certificate of Incorporation of the Corporation, exercise all such powers and do all such acts and things as may be exercised or done by the Corporation.



**Section 2.10 Compensation of Directors.** Directors, as such, may receive, pursuant to a resolution of the Board of Directors, fees and other compensation for their services as directors, including without limitation their services as members of committees of the Board of Directors.

### **ARTICLE III**

#### **COMMITTEES**

**Section 3.1 Committees.** The Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of the committee, the member or members thereof present at any meeting of such committee who are not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in place of any such absent or disqualified member. Any such committee, to the extent provided in a resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation and may authorize the seal of the Corporation to be affixed to all papers that may require it; provided, however, that no such committee shall have the power or authority in reference to the following matters: (a) approving or adopting, or recommending to the stockholders, any action or matter expressly required by the DGCL to be submitted to stockholders for approval or (b) adopting, amending or repealing the Bylaws of the Corporation.

**Section 3.2 Committee Rules.** Unless the Board of Directors otherwise provides, each committee designated by the Board of Directors may make, alter and repeal rules for the conduct of its business. In the absence of such rules each committee shall conduct its business in the same manner as the Board of Directors conducts its business pursuant to Article II of these Bylaws. Adequate provision shall be made for notice to members of any committee of all meetings, and all matters shall be determined by a majority vote of the members present. Action may be taken by any committee without a meeting if all members thereof consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of the proceedings of such committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

### **ARTICLE IV**

#### **OFFICERS**

**Section 4.1 Generally.** The officers of the Corporation shall consist of a Chief Executive Officer and/or a President, one or more Vice Presidents, a Chief Financial Officer, a Secretary, a Treasurer and such other officers and agents as the Board of Directors shall deem necessary or appropriate and may designate a Chairperson of the Board as an officer as permitted by Section 2.7 hereof. All officers shall be elected by the Board of Directors. Each officer shall hold office until such person's successor is elected and qualified or until such person's earlier resignation or removal. Any number of offices may be held by the same person. Any officer may

resign at any time upon written notice to the Corporation. Any vacancy occurring in any office of the Corporation by death, resignation, removal or otherwise may be filled by the Board of Directors.

**Section 4.2 Chief Executive Officer.** The Chief Executive Officer shall have general management, direction and control of the business and affairs of the Corporation, subject to the direction of the Board of Directors. The Chief Executive Officer shall preside, if no Chairperson of the Board shall be designated, at all meetings of the Board of Directors. Unless otherwise directed by the Board of Directors from time to time, the Chief Executive Officer shall have the power to vote and otherwise act on behalf of the Corporation, in person or by proxy, at any meeting of stockholders of or with respect to any action of stockholders of any other corporation in which the Corporation may hold securities and otherwise to exercise any and all rights and powers which the Corporation may possess by reason of its ownership of securities in such other corporation.

**Section 4.3 President.** The President shall be the chief operating officer of the Corporation and shall have such powers and perform such duties as may from time to time be assigned to the President by the Chief Executive Officer or the Board of Directors. If no Chief Executive Officer shall be designated and then be serving, the President shall be the chief executive officer of the Corporation, and, as such, shall have the functions, authority and duties provided for the Chief Executive Officer.

**Section 4.4 Vice President.** Each Vice President shall have all such powers and duties as are commonly incident to the office of Vice President, or that are delegated to him or her by the Board of Directors or the Chief Executive Officer. A Vice President may be designated by the Board to perform the duties and exercise the powers of the Chief Executive Officer in the event of the Chief Executive Officer's absence or disability.

**Section 4.5 Chief Financial Officer.** The Chief Financial Officer shall be the Treasurer of the Corporation unless the Board of Directors shall have designated another officer as the Treasurer of the Corporation. Subject to the direction of the Board of Directors and the Chief Executive Officer, the Chief Financial Officer shall perform all duties and have all powers that are commonly incident to the office of Chief Financial Officer.

**Section 4.6 Treasurer.** The Treasurer shall have custody of all monies and securities of the Corporation. The Treasurer shall make such disbursements of the funds of the Corporation as are authorized and shall render from time to time an account of all such transactions. The Treasurer shall also perform such other duties and have such other powers as are commonly incident to the office of Treasurer, or as the Board of Directors or the Chief Executive Officer may from time to time prescribe.

**Section 4.7 Secretary.** The Secretary shall issue or cause to be issued all authorized notices for, and shall keep, or cause to be kept, minutes of all meetings of the stockholders and the Board of Directors. The Secretary shall have charge of the corporate minute books and similar records and shall perform such other duties and have such other powers as are commonly incident to the office of Secretary, or as the Board of Directors or the Chief Executive Officer may from time to time prescribe.

**Section 4.8 Delegation of Authority.** The Board of Directors may from time to time delegate the powers or duties of any officer to any other officers or agents, notwithstanding any provision hereof.

**Section 4.9 Removal.** Any officer of the Corporation shall serve at the pleasure of the Board of Directors and may be removed at any time, with or without cause, by the Board of Directors. Such removal shall be without prejudice to the contractual rights of such officer, if any, with the Corporation.

## ARTICLE V

### STOCK

**Section 5.1 Certificates.** Every holder of stock shall be entitled to have a certificate signed by or in the name of the Corporation by the Chief Executive Officer, the President or a Vice President, and by the Treasurer, an Assistant Treasurer, the Secretary or an Assistant Secretary, of the Corporation, certifying the number of shares owned by such stockholder in the Corporation. Any or all of the signatures on the certificate may be a facsimile. Notwithstanding the foregoing, the Board of Directors may provide by resolution or resolutions that some or all of any or all classes or series of its capital stock may be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation. Every holder of capital stock of the Corporation represented by certificates shall be entitled to have a certificate signed by, or in the name of the Corporation by, the Chief Executive Officer, the President or a Vice President, and by the Treasurer, an Assistant Treasurer, the Secretary or an Assistant Secretary, of the Corporation, representing the number of shares registered in certificate form.

**Section 5.2 Lost, Stolen or Destroyed Stock Certificates; Issuance of New Certificates.** The Corporation may issue a new certificate of stock in the place of any certificate previously issued by it, alleged to have been lost, stolen or destroyed, and the Corporation may require the owner of the lost, stolen or destroyed certificate, or such owner's legal representative, to agree to indemnify the Corporation and/or to give the Corporation a bond sufficient to indemnify it, against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.

**Section 5.3 Other Regulations.** The issue, transfer, conversion and registration of stock certificates shall be governed by such other regulations as the Board of Directors may establish.

## ARTICLE VI

### INDEMNIFICATION

**Section 6.1 Indemnification of Officers and Directors.** Each person who was or is made a party to, or is threatened to be made a party to, or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding"), by reason of the fact that such person (or a person of whom such person is the legal representative), is or was a director or executive officer of the Corporation or is or was serving at the request of the

Corporation as a director or officer of another corporation, or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, shall be indemnified and held harmless by the Corporation to the fullest extent permitted by the DGCL, against all expenses, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes and penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by such person in connection therewith, provided such person acted in good faith and in a manner which the person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the person's conduct was unlawful. Such indemnification shall continue as to a person who has ceased to be a director or officer and shall inure to the benefit of such person's heirs, executors and administrators. Notwithstanding the foregoing, the Corporation shall indemnify any such person seeking indemnity in connection with a Proceeding (or part thereof) initiated by such person only if such Proceeding (or part thereof) was authorized by the Board of Directors of the Corporation, or if such indemnification is authorized by an agreement approved by the Board of Directors. For purposes of this Article VI, "executive officers" shall have the meaning defined in Rule 3b-7 promulgated under the Exchange Act. The Corporation shall have power to indemnify its other officers, employees and other agents as set forth in the DGCL or any other applicable law.

**Section 6.2 Advance of Expenses.** The Corporation shall pay all expenses (including attorneys' fees) incurred by such a director or executive officer in defending any such Proceeding as they are incurred in advance of its final disposition; provided, however, that if the DGCL then so requires, the payment of such expenses incurred by such a director or executive officer in advance of the final disposition of such Proceeding shall be made only upon delivery to the Corporation of an undertaking, by or on behalf of such director or executive officer, to repay all amounts so advanced if it should be determined ultimately that such director or executive officer is not entitled to be indemnified under this Article VI or otherwise; and provided, no advance shall be made if a determination is reasonably and promptly made (a) by a majority vote of directors who were not parties to the Proceeding, even if not a quorum, (b) by a committee of such directors designated by a majority vote of such directors, even though less than a quorum or (c) if there are no such directors, or such directors so direct, by independent legal counsel in a written opinion, that the facts known to the decision-making party at the time such determination is made demonstrate clearly and convincingly that such person acted in bad faith or in a manner that such person did not believe to be in or not opposed to the best interests of the Corporation.

**Section 6.3 Non-Exclusivity of Rights.** The rights conferred on any person in this Article VI shall not be exclusive of any other right that such person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation of the Corporation, Bylaws, agreement, vote or consent of stockholders or disinterested directors, or otherwise. Additionally, nothing in this Article VI shall limit the ability of the Corporation, in its discretion, to indemnify or advance expenses to persons whom the Corporation is not obligated to indemnify or advance expenses pursuant to this Article VI, and the Corporation shall have power to indemnify, and advance expenses to, its other officers, employees and other agents as set forth in the DGCL or any other applicable law. The Board of Directors shall have the power to delegate the determination of whether indemnification and advancement shall be given to any such person, except executive officers, to such officers or other persons as the Board of Directors shall determine.

**Section 6.4 Indemnification Contracts.** The Board of Directors is authorized to cause the Corporation to enter into indemnification contracts with any director, officer, employee or agent of the Corporation, or any person serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including employee benefit plans, providing indemnification rights to such person. Such rights may be greater than those provided in this Article VI.

**Section 6.5 Insurance.** To the fullest extent permitted by the DGCL or any other applicable law, the Corporation, upon approval by the Board of Directors, may purchase insurance on behalf of any person required or permitted to be indemnified pursuant to this Article VI.

**Section 6.6 Effect of Amendment.** Any amendment, repeal or modification of any provision of this Article VI shall be prospective only, and shall not adversely affect any right or protection conferred on a person pursuant to this Article VI and existing at the time of such amendment, repeal or modification.

## ARTICLE VII

### NOTICES

**Section 7.1 Notice.**

(a) Except as otherwise specifically provided in these Bylaws (including, without limitation, Section 7.1(b) below) or required by law, all notices required to be given pursuant to these Bylaws shall be in writing and may in every instance be effectively given by hand delivery (including use of a delivery service), by depositing such notice in the mail, postage prepaid, or by sending such notice by prepaid telegram, telex, overnight express courier, mailgram or facsimile, electronic mail or other means of electronic transmission. Any such notice shall be addressed to the person to whom notice is to be given at such person's address as it appears on the records of the Corporation. The notice shall be deemed given (i) in the case of hand delivery, when received by the person to whom notice is to be given or by any person accepting such notice on behalf of such person, (ii) in the case of delivery by mail, upon deposit in the mail, (iii) in the case of delivery by overnight express courier, when dispatched and (iv) in the case of delivery via telegram, telex, mailgram, facsimile, electronic mail or other means of electronic transmission, when dispatched. Notice given pursuant to this Section 7.1(a) shall be deemed given: (A) if by facsimile telecommunication, when directed to a number at which the person has consented to receive notice; (B) if by electronic mail, when directed to an electronic mail address at which the person has consented to receive notice and (C) if by any other form of electronic transmission, when directed to the person.

(b) Without limiting the manner by which notice otherwise may be given effectively to stockholders, any notice to stockholders given by the Corporation under any provision of the DGCL, the Certificate of Incorporation of the Corporation or these Bylaws shall be effective if given by a form of electronic transmission consented to by the stockholder to whom the notice is given. Any such consent shall be revocable by the stockholder by written notice to the Corporation. Any such consent shall be deemed revoked if (i) the Corporation is

unable to deliver by electronic transmission two (2) consecutive notices given by the Corporation in accordance with such consent and (ii) such inability becomes known to the Secretary or an Assistant Secretary of the Corporation or to the transfer agent or other person responsible for the giving of notice; provided, however, that the inadvertent failure to treat such inability as a revocation shall not invalidate any meeting or other action. Notice given pursuant to this Section 7.1(b) shall be deemed given: (A) if by facsimile telecommunication, when directed to a number at which the stockholder has consented to receive notice; (B) if by electronic mail, when directed to an electronic mail address at which the stockholder has consented to receive notice; (C) if by a posting on an electronic network together with separate notice to the stockholder of such specific posting, upon the later of (x) such posting and (y) the giving of such separate notice and (iv) if by any other form of electronic transmission, when directed to the stockholder.

(c) Except as otherwise prohibited under DGCL, any notice given under the provisions of DGCL, the Certificate of Incorporation or the Bylaws shall be effective if given by a single written notice to stockholders who share an address if consented to by the stockholders at that address to whom such notice is given. Such consent shall have been deemed to have been given if such stockholder fails to object in writing to the Corporation within sixty (60) days of having been given notice by the Corporation of its intention to send the single notice. Any consent shall be revocable by the stockholder by written notice to the Corporation.

(d) An affidavit of the Secretary or an Assistant Secretary or of the transfer agent or other agent of the Corporation that the notice has been given in writing or by a form of electronic transmission shall, in the absence of fraud, be prima facie evidence of the facts stated therein.

**Section 7.2 Waiver of Notice.** Whenever notice is required to be given under any provision of these Bylaws, a written waiver of notice, signed by the person entitled to notice, or waiver by electronic transmission by such person, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders, directors or members of a committee of directors need be specified in any waiver of notice.

## ARTICLE VIII

### INTERESTED DIRECTORS; RELATED PERSON TRANSACTIONS

**Section 8.1 Interested Directors; Quorum.** No contract or transaction between the Corporation and one or more of its directors or officers, or between the Corporation and any other corporation, partnership, association or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board of Directors or committee thereof that authorizes the contract or transaction, or solely because his, her or their votes are counted for such purpose, if: (a) the material facts as to his, her or their relationship or interest and as to the contract or transaction

are disclosed or are known to the Board of Directors or the committee and the Board of Directors or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; (b) the material facts as to his, her or their relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon and the contract or transaction is specifically approved in good faith by vote of the stockholders; or (c) the contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified by the Board of Directors, a committee thereof, or the stockholders. Interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

**Section 8.2 Related Person Transactions.** Absent approval by a vote of a majority of the Non-Affiliated Stock, as defined in this Section 8.2, any transaction between the Corporation or any of its subsidiaries on the one hand, and Accelmed Growth Partners, L.P. ("ACG") or any ACG Affiliate, as defined in this Section 8.2, on the other hand (a "Related Person Transaction") shall require the approval of an independent committee of the Board, which committee shall not include any Corporation employee, or any member of the Board appointed, designated or nominated either by ACG or by any ACG Affiliate. The term "Non-Affiliated Stock" means the voting stock of the Corporation not held by ACG or its affiliates, including investees in ACG or any of their respective affiliates (collectively, "ACG Affiliates"). On any stockholder vote to approve a Related Person Transaction, Corporation shares owned beneficially by ACG or any ACG Affiliates shall be deemed to have been voted "for", "against" or "abstain" in the same proportion as the vote on such matter cast by the Non-Affiliated Stock. Provided, that the term Related Person Transaction shall not include compensation and equity award of Corporation office holders by reason of service in such capacity as approved by the Board. This Section 8.2 shall not be amended, modified or terminated without a stockholder vote of a majority of the voting shares not held by ACG or ACG Affiliates.

## ARTICLE IX

### MISCELLANEOUS

**Section 9.1 Fiscal Year.** The fiscal year of the Corporation shall be determined by resolution of the Board of Directors.

**Section 9.2 Seal.** The Board of Directors may provide for a corporate seal, which shall have the name of the Corporation inscribed thereon and shall otherwise be in such form as may be approved from time to time by the Board of Directors.

**Section 9.3 Form of Records.** Any records maintained by the Corporation in the regular course of its business, including its stock ledger, books of account and minute books, may be kept on or by means of, or be in the form of, diskettes or any other information storage device or method, provided that the records so kept can be converted into clearly legible paper form within a reasonable time. The Corporation shall so convert any records so kept upon the request of any person entitled to inspect such records pursuant to any provision of the DGCL.

**Section 9.4 Reliance Upon Books and Records.** A member of the Board of Directors, or a member of any committee designated by the Board of Directors shall, in the performance of such person's duties, be fully protected in relying in good faith upon records of the Corporation and upon such information, opinions, reports or statements presented to the Corporation by any of the Corporation's officers, employees or committees of the Board of Directors, or by any other person as to matters the member reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Corporation.

**Section 9.5 Certificate of Incorporation Governs.** In the event of any conflict between the provisions of the Certificate of Incorporation of the Corporation and these Bylaws, the provisions of the Certificate of Incorporation of the Corporation shall govern.

**Section 9.6 Severability.** If any provision of these Bylaws shall be held to be invalid, illegal, unenforceable or in conflict with the provisions of the Certificate of Incorporation of the Corporation, then such provision shall nonetheless be enforced to the maximum extent possible consistent with such holding and the remaining provisions of these Bylaws (including without limitation, all portions of any section of these Bylaws containing any such provision held to be invalid, illegal, unenforceable or in conflict with the Certificate of Incorporation of the Corporation, that are not themselves invalid, illegal, unenforceable or in conflict with the Certificate of Incorporation of the Corporation) shall remain in full force and effect.

## ARTICLE X

### OFFICES

**Section 10.1 Registered Office.** The Corporation shall have and maintain in the State of Delaware a registered office, which may, but need not be, the same as its place of business.

**Section 10.2 Other Offices.** The Corporation may also have offices at such other places as the Board of Directors may from time to time determine or the business of the Corporation may require.

## ARTICLE XI

### EXECUTION OF CORPORATE INSTRUMENTS AND VOTING OF SECURITIES OWNED BY THE CORPORATION

**Section 11.1 Execution of Corporate Instruments.** Each officer of the Corporation may execute, affix the corporate seal and/or deliver, in the name and on behalf of the Corporation, deeds, mortgages, notes, bonds, contracts, agreements, powers of attorney, guarantees, settlements, releases, evidences of indebtedness, conveyances or any other document or instrument that is authorized by the Board of Directors or is required to be executed in the ordinary course of business, except in cases where the execution, affixation of the corporate seal and/or delivery thereof shall be expressly and exclusively delegated by the Board of Directors to some other officer or agent of the Corporation.



**Section 11.2 Voting Securities Owned by the Corporation.** All stock and other securities of other corporations or other entities owned or held by the Corporation for itself, or for other parties in any capacity, shall be voted, and all proxies with respect thereto shall be executed, by the person authorized so to do by resolution of the Board of Directors, or, in the absence of such authorization, by the Chief Executive Officer, the President or any Vice President.

## ARTICLE XII

### DIVIDENDS

**Section 12.1 Declaration of Dividends.** Dividends upon the capital stock of the Corporation, subject to the provisions of the Certificate of Incorporation and applicable law, if any, may be declared by the Board of Directors pursuant to law at any regular or special meeting. Dividends may be paid in cash, in property or in shares of the capital stock, subject to the provisions of the Certificate of Incorporation and applicable law.

**Section 12.2 Dividend Reserve.** Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the Board of Directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for such other purpose as the Board of Directors shall think conducive to the interests of the Corporation, and the Board of Directors may modify or abolish any such reserve in the manner in which it was created.

## ARTICLE XIII

### AMENDMENT

**Section 13.1 Amendments.** Stockholders of the Corporation holding a majority of the Corporation's outstanding voting stock then entitled to vote at an election of directors shall have the power to adopt, amend or repeal the Bylaws of the Corporation. To the extent provided in the Certificate of Incorporation of the Corporation, the Board of Directors of the Corporation shall also have the power to adopt, amend or repeal the Bylaws of the Corporation.

**FOURTH AMENDMENT TO CREDIT AND SECURITY AGREEMENT**

THIS FOURTH AMENDMENT TO CREDIT AND SECURITY AGREEMENT (this "**Amendment**") is entered into as of May 29, 2018 by and among Strata Skin Sciences, Inc. (formerly Mela Sciences, Inc.), a Delaware corporation (the "**Borrower**"), MidCap Financial Trust, a Delaware statutory trust, as agent ("**Agent**") and the lenders signatory hereto (the "**Lenders**").

**RECITALS**

A. Borrower, Agent and the Lenders are parties to that certain Credit and Security Agreement, dated as of December 30, 2015 (as amended by that certain First Amendment to Credit and Security Agreement, dated as of August 9, 2016, that certain Second Amendment to Credit and Security Agreement, dated as of November 10, 2017, that certain Third Amendment to Credit and Security Agreement, dated as of March 26, 2018, and as further amended hereby and as may be further amended, restated, supplemented, revised, restated, replaced or otherwise modified from time to time, the "**Credit Agreement**"; capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Credit Agreement), pursuant to which the Lenders have made certain financial accommodations available to Borrower;

B. Borrower has requested that the Agent and Lenders amend certain provisions of the Credit Agreement and waive certain Events of Default, and subject to the terms and conditions hereof, the Agent and the Lenders executing this Amendment are willing to do so.

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter contained, and intending to be legally bound, the parties hereto agree as follows:

**A. AMENDMENTS**

Subject to the satisfaction of the conditions precedent set forth in Section B below, the parties hereto agree that the Credit Agreement is amended as follows:

1. Section 7.13 of the Credit Agreement is hereby replaced in its entirety with the following:

"For the period beginning after May 31, 2018 and continuing thereafter, permit consolidated net revenue of the Borrower and its Subsidiaries determined on a consolidated basis in accordance with GAAP for the twelve month period ending on the last day of the most recently completed calendar month to be less than the minimum amount set forth on the Financial Covenant Schedule for such period."

2. Section 15 of the Credit Agreement is hereby amended by deleting the definitions of "Existing Investors" and "Maturity Date" included therein in their entirety and inserting the following in lieu thereof:

"**Existing Investors**" means Sabby Healthcare Master Fund Ltd., Sabby Volatility Warrant Master Fund Ltd., Broadfin Healthcare Master Fund, LTD, Intracoastal Capital, LLC, Accelmed Growth Partners LLP and any Affiliate of the foregoing."

"**Maturity Date**" means May 29, 2022."

3. The Credit Facility Schedule is hereby replaced in its entirety with the Credit Facility Schedule attached to this Amendment as Exhibit A.

4. The Financial Covenant Schedule is hereby replaced in its entirety with the Financial Covenant Schedule attached to this Amendment as Exhibit B.
5. The Amortization Schedule is hereby replaced in its entirety with the Amortization Schedule attached to this Amendment as Exhibit C.

**B. CONDITIONS TO EFFECTIVENESS**

Notwithstanding any other provision of this Amendment and without affecting in any manner the rights of the Lenders hereunder, it is understood and agreed that this Amendment shall not become effective, and Borrower shall have no rights under this Amendment, until Agent shall have received:

1. reimbursement or payment of its costs and expenses incurred in connection with this Amendment (including reasonable fees, charges and disbursements of counsel to Agent and the Lenders);
2. duly executed signature pages to this Amendment from the Lenders, the Borrower and Agent;
3. a duly executed amendment and restatement of the fee letter agreement, dated as of May 29, 2018, by and between the Borrower and Agent, in form and substance satisfactory to the Agent, together with all fees due and payable thereunder;
4. evidence, in form and substance reasonably satisfactory to the Agent, that the Existing Investors have, on or prior to the date first set forth above, made, and the Borrower has received, proceeds from cash equity investments in an aggregate amount of at least \$17,000,000, of which at least \$3,000,000 of such proceeds shall have been delivered to Agent as a prepayment of the existing Term Credit Facility;
5. the Operating Documents of Borrower and good standing certificates of Borrower certified by the Secretary of State of the state(s) of organization of Borrower as of a date no earlier than thirty (30) days prior to the effective date of this Amendment;
6. good standing certificates dated as of a date no earlier than thirty (30) days prior to the effective date of this Amendment to the effect that Borrower is qualified to transact business in all states in which the nature of Borrower's business so requires;
7. resolutions, in form and substance satisfactory to Agent, adopted by Borrower's Board of Directors or other appropriate governing body and delivered by Borrower to Agent approving this Amendment and the transactions contemplated thereby;
8. a legal opinion of Borrower's counsel dated as of the effective date of this Amendment, together with the duly executed original signatures thereto; and
9. a duly executed original Secretary's Certificate dated as of the effective date of this Amendment which includes copies of the completed resolutions for Borrower required under item 7 above.

**C. REPRESENTATIONS**

To induce the Lenders and Agent to enter into this Amendment, each Credit Party hereby represents and warrants to the Lenders and Agent that:

1. The execution, delivery and performance by such Credit Party of this Amendment do not (i) conflict with any of such Credit Party's organizational documents; (ii) contravene, conflict with, constitute a default under or violate any Law; (iii) contravene, conflict or violate any applicable order, writ, judgment, injunction, decree, determination or award of any Governmental Authority by which such

Credit Party or any of its property or assets may be bound or affected; (iv) require any action by, filing, registration, or qualification with, or Required Permit from, any Governmental Authority (except such Required Permits which have already been obtained and are in full force and effect); or (v) constitute a default under or conflict with any Material Agreement.

2. This Amendment has been duly authorized, executed and delivered by each Credit Party and constitutes a legal, valid and binding agreement enforceable in accordance with its terms. The execution, delivery and performance by each Credit Party of this Amendment is within such Credit Party's powers.

3. After giving effect to this Amendment, the representations and warranties contained in the Credit Agreement and the other Financing Documents are true and correct in all material respects (but in all respects if such representation or warranty is qualified by "material" or "Material Adverse Effect"), except to the extent such representations and warranties expressly relate to an earlier date, in which case such representations and warranties were true and correct in all material respects (but in all respects if such representation or warranty is qualified by "material" or "Material Adverse Effect") on and as of such earlier date, and no Default or Event of Default has occurred and is continuing as of the date hereof.

#### D. OTHER AGREEMENTS

1. Waivers.

(i) The Borrower and its Subsidiaries acknowledge and agree that as of this date, an Event of Default has occurred as a result of the Borrower's failure to comply with Section 7.2(c)(i) of the Credit Agreement in that the Borrower failed to hire a suitable permanent replacement for its Chief Financial Officer within ninety (90) days of departure (the "Existing Default"). Upon the effectiveness of this Amendment, Agent and Lenders hereby waive the Existing Default. Such waiver shall in no way constitute a waiver of any other Event of Default which may have occurred, but is not specifically referenced as an "Event of Default," nor shall it obligate Agent or Lenders to provide any further waiver of any other Event of Default.

(ii) Upon the effectiveness of this Amendment, Agent and Lenders hereby waive the requirement to pay any Applicable Prepayment Fee payable as a result of this Amendment pursuant to Section 2.3(d) of the Credit Agreement with respect to the existing Term Credit Facilities in place immediately prior to the effectiveness of this Amendment; provided, however that this shall in no way constitute a waiver of the Applicable Prepayment Fee payable with respect to the Term Credit Facility described on the Credit Facility Schedule attached to this Amendment as Exhibit A.

2. Continuing Effectiveness of Financing Documents. As amended hereby, all terms of the Credit Agreement and the other Financing Documents shall be and remain in full force and effect and shall constitute the legal, valid, binding and enforceable obligations of the Credit Parties party thereto. To the extent any terms and conditions in any of the other Financing Documents shall contradict or be in conflict with any terms or conditions of the Credit Agreement, after giving effect to this Amendment, such terms and conditions are hereby deemed modified and amended accordingly to reflect the terms and conditions of the Credit Agreement as modified and amended hereby. Upon the effectiveness of this Amendment such terms and conditions are hereby deemed modified and amended accordingly to reflect the terms and conditions of the Credit Agreement as modified and amended hereby. This Amendment shall constitute a Financing Document for all purposes of the Credit Agreement.

3. Reaffirmation. Each of the Credit Parties as debtor, grantor, pledgor, guarantor, assignor, or in other any other similar capacity in which such Credit Party grants liens or security interests in its property or otherwise acts as accommodation party or guarantor, as the case may be, hereby ratifies and reaffirms all of its payment and performance obligations, contingent or otherwise, under each of the Financing Documents to which it is a party (after giving effect hereto). Each Credit Party hereby acknowledges

that, as of the date hereof, the security interests and liens granted to Agent and the Lenders under the Credit Agreement and the other Financing Documents are in full force and effect, are properly perfected and are enforceable in accordance with the terms of the Credit Agreement and the other Financing Documents.

4. No Waiver or Novation. The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of the Lenders under the Credit Agreement, nor constitute a waiver of any provision of the Credit Agreement. This Amendment is not intended by the parties to be, and shall not be construed to be, a novation of the Credit Agreement and the other Financing Documents or an accord and satisfaction in regard thereto.

5. Governing Law. This Amendment shall be governed by, and construed in accordance with, the internal laws of the State of Maryland and all applicable federal laws of the United States of America.

6. Costs and Expenses. Borrower agrees to pay on demand all reasonable costs and expenses of Agent and the Lenders in connection with the preparation, execution and delivery of this Amendment, including, without limitation, the reasonable fees and out-of-pocket expenses of outside counsel for Agent and the Lenders with respect thereto.

7. Counterparts. This Amendment may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, is an original, and all taken together, constitute one agreement. Delivery of an executed signature page of this Amendment by facsimile transmission or electronic transmission shall be as effective as delivery of a manually executed counterpart hereof.

8. Binding Nature. This Amendment binds and is for the benefit of the successors and permitted assigns of each party hereto. No third party beneficiaries are intended in connection with this Amendment.

9. Integration. This Amendment and the Financing Documents represent the entire agreement about this subject matter and supersede prior negotiations or agreements. All prior agreements, understandings, representations, warranties, and negotiations between the parties about the subject matter of this Amendment and the Financing Documents merge into this Amendment and the Financing Documents.

10. Release. Each Credit Party hereby releases, acquits, and forever discharges Agent and each of the Lenders, and each and every past and present subsidiary, affiliate, stockholder, officer, director, agent, servant, employee, representative, and attorney of Agent and the Lenders, from any and all claims, causes of action, suits, debts, liens, obligations, liabilities, demands, losses, costs and expenses (including reasonable attorneys' fees) of any kind, character, or nature whatsoever, known or unknown, fixed or contingent, which such Credit Party may have or claim to have now or which may hereafter arise out of or connected with any act of commission or omission of Agent or the Lenders existing or occurring prior to the date of this Amendment or any instrument executed prior to the date of this Amendment including, without limitation, any claims, liabilities or obligations arising with respect to the Credit Agreement or the other of the Financing Documents, other than claims, liabilities or obligations caused by Agent's or any Lender's own gross negligence or willful misconduct. The provisions of this paragraph shall be binding upon each Credit Party and shall inure to the benefit of Agent, the Lenders, and their respective heirs, executors, administrators, successors and assigns.

*[Signature pages follow]*

IN WITNESS WHEREOF, this Amendment has been duly executed as of the date first written above.

**BORROWER:**

**STRATA SKIN SCIENCES, INC.**

By: /s/ Matthew C. Hill (SEAL)

Name: Matthew C. Hill

Title: Chief Financial Officer

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**AGENT:**

**MIDCAP FINANCIAL TRUST**

By: Apollo Capital Management, L.P.,  
its investment manager

By: Apollo Capital Management GP, LLC,  
its general partner

By: /s/ Maurice Amsellem (SEAL)

Name: Maurice Amsellem

Title: Authorized Signatory

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**LENDERS:**

**ELM 2016-1 TRUST**

By: MidCap Financial Services Capital Management, LLC,  
as Servicer

By: /s/ John O'Dea (SEAL)

Name: John O'Dea

Title: Authorized Signatory

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**FLEXPOINT MCLS SPV LLC**

By: /s/ Daniel Edelman  
Name: Daniel Edelman  
Title: Vice President

Signature Page to Third Amendment to Credit and Security Agreement (Strata Skin Sciences, Inc.)

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EXHIBIT A

**CREDIT FACILITY SCHEDULE**

The following Credit Facility is specified on this Credit Facility Schedule:

**Credit Facility and Type:** Term

**Lenders for and their respective Applicable Commitments to this Credit Facility:**

<b>Lender</b>	<b>Applicable Commitment</b>
ELM 2016-1 TRUST	Five Million Six Hundred Seventy-Eight Thousand Five Hundred Seventy-One Dollars and Forty Cents (\$5,678,571.40)
FLEXPOINT MCLS SPV LLC	One Million Eight Hundred Two Thousand Eight Hundred Fifty-Seven Dollars and Fifteen Cents (\$1,892,857.15)

**The following defined terms apply to this Credit Facility:**

**Applicable Interest Period:** means the one-month period starting on the first (1st) day of each month and ending on the last day of such month; *provided, however*, that the first (1st) Applicable Interest Period for each Credit Extension under this Facility shall commence on the date that the applicable Credit Extension is made and end on the last day of such month.

**Applicable Floor:** means one and one half percent (1.50%) per annum for the Applicable Libor Rate.

**Applicable Margin:** a rate of interest equal to seven and one quarter percent (7.25%) per annum.

**Applicable Prepayment Fee:** means the following amount, calculated as of the date (the "**Accrual Date**") that the Applicable Prepayment Fee becomes payable in the case of prepayments required under the Financing Documents or the date any voluntary prepayment is made: (a) for an Accrual Date on or after the Effective Date through and including the date which is twelve (12) months after the Effective Date, three percent (3.00%) multiplied by the amount of the outstanding principal of the Credit Extension prepaid or required to be prepaid (whichever is greater), (b) for an Accrual Date on or after the date which is twelve (12) months after the Effective Date through and including the date immediately preceding twenty-four (24) months after the Effective Date, two percent (2.00%) multiplied by the amount of the outstanding principal of the Credit Extension prepaid or required to be prepaid (whichever is greater), (c) for an Accrual Date on or after the Effective Date through and including the date which is twenty-four (24) months after the Effective Date through and including the date immediately preceding thirty-six (36) months after the Effective Date, one percent (1.00%) multiplied by the amount of the outstanding principal of the Credit Extension prepaid or required to be prepaid (whichever is greater) and (d) nothing thereafter.

**Closed Period:** Not applicable.

**Commitment Commencement Date:** Effective Date.

**Commitment Termination Date:** the close of business on the Effective Date.

**Effective Date:** May 29, 2018

**Minimum Credit Extension Amount:** \$7,571,428.55, which shall consist of the aggregate remaining outstanding principal balance of the Credit Facilities under the Credit Agreement after giving effect to the transactions contemplated under the Fourth Amendment to Credit Agreement to which this Exhibit A is attached.

**Permitted Purpose:** for working capital and other general corporate purposes

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## EXHIBIT B

FINANCIAL COVENANT SCHEDULE

Borrower shall not Permit consolidated net revenue of Borrower and its Subsidiaries determined on a consolidated basis in accordance with GAAP for the twelve month period ending on the last day of each calendar month set forth below to be less than the minimum amount set forth below for such period.

<b>Minimum Net Revenue - Covenant Level</b>		
<b>TTM Period Ending (to be reported to Agent within 30 days after such date)</b>	<b>Number of Months in Testing Period</b>	<b>Minimum Net Revenue for Such Period</b>
31-May-18	12	25,000,000
30-Jun-18	12	25,000,000
31-Jul-18	12	25,000,000
31-Aug-18	12	25,000,000
30-Sep-18	12	25,000,000
31-Oct-18	12	25,000,000
30-Nov-18	12	25,000,000
31-Dec-18	12	25,000,000
31-Jan-19	12	25,250,000
28-Feb-19	12	25,500,000
31-Mar-19	12	25,750,000
30-Apr-19	12	26,000,000
31-May-19	12	26,250,000
30-Jun-19	12	26,500,000
31-Jul-19	12	26,750,000
30-Sep-19	12	27,000,000
31-Oct-19	12	27,250,000
30-Nov-19	12	27,500,000
31-Dec-19	12	27,750,000
31-Jan-20	12	28,000,000
28-Feb-20	12	28,250,000
31-Mar-20	12	28,500,000
30-Apr-20	12	28,750,000
31-May-20	12	29,000,000
30-Jun-20	12	29,250,000
31-Jul-20	12	29,500,000
30-Sep-20	12	29,750,000
31-Oct-20	12	30,000,000
30-Nov-20	12	30,250,000
31-Dec-20	12	30,500,000
31-Jan-21	12	30,750,000
28-Feb-21	12	31,000,000
31-Mar-21	12	31,250,000

30-Apr-21	12	31,500,000
31-May-21	12	31,750,000
30-Jun-21	12	32,000,000
31-Jul-21	12	32,250,000
30-Sep-21	12	32,500,000
31-Oct-21	12	32,750,000
30-Nov-21	12	33,000,000
31-Dec-21	12	33,250,000
31-Jan-22	12	33,500,000
28-Feb-22	12	33,750,000
31-Mar-22	12	34,000,000
30-Apr-22	12	34,250,000
31-May-22	12	34,500,000

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**EXHIBIT C**

**AMORTIZATION SCHEDULE**

Commencing December 1, 2019, and continuing on the first day of each calendar month thereafter, an amount equal to \$252,380.95 per month.

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## **STRATA Skin Sciences Announces Closing of a \$17 Million Equity Financing and the Formal Appointment of New Management to Accelerate Growth and Enrich its XTRAC® Business Strategy**

***Conference call and webcast tomorrow, May 30th at 8:30 am Eastern Time***

- *New Financing: Equity financing of \$17 million led by Accelmed, a leading investment firm specializing in medical technologies, and joined by existing investors Broadfin Capital and Sabby Management and incoming CEO, Dr. Dolev Rafaeli*
- *Experienced Management: Dr. Dolev Rafaeli, formally named CEO of STRATA, brings significant history of success with XTRAC business. From 2011 to 2015 during his time as CEO of PhotoMedex, Dr. Rafaeli transformed the XTRAC business growing the installed base by 240%, increasing the per device recurring revenue by 220% and boosting the recurring business segment's gross margins from 39% to 68%*
- *XTRAC Business Model: STRATA, the global market leader of Laser devices for dermatological treatments, provides a vertically integrated array of value-added services to its physician partners. Following the equity financing, STRATA will be better positioned to become a platform company for dermatology procedures generating recurring revenue*
- *XTRAC Opportunity: STRATA's Recurring Revenue Business Model provides opportunities for top and bottom-line growth, with an available domestic market of over 35 million patients across all reimbursed indications*
- *XTRAC Technology: STRATA is developing a faster treatment protocol for skin clearance utilizing its proprietary OTD™ (Optimal Therapeutic Dose) device to achieve faster XTRAC treatment times and better patient outcomes*
- *STRATA's commercial platform to be used to introduce new growth products aimed at clinical dermatologists*
- *As part of financing STRATA issued 15,740,741 shares of common stock subject to customary post-closing adjustments and now has 33,495,801 shares of common stock outstanding and on as-converted basis*

**Horsham, PA, May 29, 2018** — STRATA Skin Sciences (NASDAQ: SSKN) ("STRATA"), a medical technology company in Dermatology and Plastic Surgery dedicated to developing, commercializing, and marketing innovative products for the treatment of dermatologic conditions, today announced that its shareholders have voted in favor of an equity financing, raising proceeds of \$17 million. The financing was led by Accelmed Growth Partners ("AGP"), a private equity investment firm focused on value creation for medical device companies and

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technologies, through the establishment of platform companies. AGP was joined by current shareholders Broadfin Capital and Sabby Management, and incoming CEO, Dr. Dolev Rafaeli.

**Financing Details and Amendment of MidCap Financial Trust Agreement**

Of the \$17 million in proceeds, \$3 million will be used to pay down a portion of the current loan with MidCap Financial, as part of an amendment to the loan agreement that provides more favorable terms and covenants.

The remaining proceeds from the equity financing will fund growth opportunities for the Company by focusing on its core recurring revenue business and adding innovative medical devices, which can leverage STRATA's salesforce, customer relationships and current infrastructure in sales, marketing and reimbursement.

**Appointment of New Chairman of the Board of Directors**

Following the closing of the financing, Dr. Uri Geiger, Managing Partner of Accelmed, will be appointed Chairman of the STRATA Board. Dr. Geiger brings extensive entrepreneurial, management and investment know-how having created and built many successful medical device enterprises. Among his many accomplishments, Dr. Geiger served as CEO and Founder of Exalenz Bioscience Ltd. (TASE: EXEN), and of GalayOr Networks, and is a founding partner of Dragon Variation Fund, as well as most recently the Chairman of Cogentix Medical.

Dr. Geiger stated, "We are excited to become the majority shareholder of STRATA and confident that the combination of Dr. Rafaeli's leadership and Accelmed's proven track record of creating successful medtech platform companies will provide tremendous value to patients, physicians and shareholders."

**Appointment of New Management with Experience in the XTRAC Business and Company Turnarounds**

In conjunction with the closing of the financing, Dr. Dolev Rafaeli formally assumed the position of CEO, having served as the Company's interim CEO since April, 2018. Dr. Rafaeli has over 25 years of experience in the healthcare, medical device, consumer and industrial services fields. Prior to STRATA, he served as CEO of PhotoMedex (Nasdaq and TASE: PHMD), the company that founded the XTRAC business, and served on its Board from 2006 to 2017. It was under his leadership that PhotoMedex achieved sales growth from \$19 million to over \$300 million, driven by increases in brand portfolio, distribution channels and M&A transactions. During his tenure, the XTRAC business grew by 335%, and the XTRAC business gross margins grew from 39% to 68%.

Dr. Rafaeli stated, "I am thrilled to lead STRATA at this extraordinary time. The XTRAC device is a best-in-class UV technology for the treatment of psoriasis, vitiligo and other skin conditions. Our business model is differentiated by a combination of clinical superiority, unique value-added services – including a direct-to-patient engine that accelerates awareness and drives consigned XTRAC device utilization – and a reimbursement support team that confirms insurance benefits, thereby expediting the patient experience."

"Our immediate priority is to execute a comprehensive turnaround strategy to restore the growth potential of the business. The initial steps will include: 1) rebuilding the XTRAC business' value creation proposition for our physician partner accounts, 2) improving patient retention through improved clinical outcomes and protocol compliance, and 3) re-engaging our proven direct-to-consumer, end-to-end patient acquisition strategy to drive more patients into the dermatology practices," Dr. Rafaeli added, "We believe that stricter adherence to protocol compliance will lead to better clinical outcomes for patients, resulting in a higher patient retention rate for physicians. We also believe that our Optimal Therapeutic Dose (OTD) technology for XTRAC, currently in development, will jump start adherence to the preferred protocol, once deployed."

"Our nationwide network of XTRAC partner clinics offers a significant opportunity to increase market penetration in psoriasis and to broaden our market penetration with other approved indications, including vitiligo and atopic dermatitis (eczema)." Dr. Rafaeli concluded, "Lastly, we are formulating a strategy that is expected to drive revenue growth outside the U.S., where we currently enjoy significant market penetration in such markets as China, South Korea and the Middle East, to name a few."

The Company also announced the appointment of Matthew C. Hill as Chief Financial Officer, effective as of May 15, 2018. Mr. Hill brings to STRATA over two decades of experience in the medtech industry, having previously served as CFO of two publicly traded companies, Velcera, Inc. and EP Medsystems Inc.

"I am thrilled to join STRATA at this exciting time and believe that the Company's portfolio of skin science technologies has enormous potential," said Matthew Hill, STRATA's Chief Financial Officer. "I look forward to growing with the Company and working with the management team to help STRATA become one of the leaders in the dermatology space."

#### **Conference Call & Webcast**

The management of STRATA will hold a conference call tomorrow, Wednesday, May 30, 2018 at 8:30 am Eastern Time to discuss the financing, the turnaround strategy, and the management and Board changes. Dial-in and replay details are as follows:

#### **Wednesday, May 30, 2018 @ 8:30 am Eastern Time**

Domestic: 800-347-6311  
International: 323-794-2094  
Israel - local 1-809-212-909  
Passcode: 7669358  
Webcast: <http://public.viavid.com/index.php?id=129953>



**About STRATA Skin Sciences, Inc.** (www.strataskin.com)

STRATA Skin Sciences is a medical technology company in Dermatology and Plastic Surgery dedicated to developing, commercializing and marketing innovative products for the treatment of dermatologic conditions. Its products include the XTRAC® excimer laser and VTRAC® lamp systems utilized in the treatment of psoriasis, vitiligo and various other skin conditions; and the STRATAPEN™ MicroSystem, marketed specifically for the intended use of micropigmentation.

**Safe Harbor**

*This press release includes "forward-looking statements" within the meaning of the Securities Litigation Reform Act of 1995. These statements include but are not limited to the Company's plans, objectives, expectations and intentions and may contain words such as "will," "may," "seeks," and "expects," that suggest future events or trends. These statements, including the Company's ability to generate the anticipated revenue stream, the Company's ability to generate sufficient cash flow to fund the Company's ongoing operations and research and development activities beginning at any time in the future, the public's reaction to the Company's new advertisements and marketing campaigns under development, and the Company's ability to build a leading franchise in dermatology and aesthetics, the Company's ability to grow revenues and sustain that growth, and the Company's ability to secure FDA 510k clearance for the OTD device, are based on the Company's current expectations and are inherently subject to significant uncertainties and changes in circumstances. Actual results may differ materially from the Company's expectations due to financial, economic, business, competitive, market, regulatory and political factors or conditions affecting the Company and the medical device industry in general, as well as more specific risks and uncertainties set forth in the Company's 10K filed with the SEC on March 30, 2018.*

**Investor Contacts:**

Dr. Dolev Rafaeli, Chief Executive Officer  
STRATA Skin Sciences, Inc.  
215-619-3200  
ir@strataskin.com

Bob Yedid, Managing Director  
LifeSci Advisors, LLC  
646-597-6989  
Bob@LifeSciAdvisors.com

# STRATA

SKIN SCIENCES

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## Investor Presentation

*May 2018*



remission  
research  
results

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## Safe Harbor Statement

This presentation includes “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 that are subject to risks, uncertainties and other factors. All statements other than statements of historical fact are statements that could be deemed forward-looking statements, including any statements of the plans, strategies and objectives of management for future operations; any statements regarding product development, product extensions, product integration or product marketing; any statements regarding continued compliance with government regulations, changing legislation or regulatory environments; any statements of expectation or belief and any statements of assumptions underlying any of the foregoing. In addition, there are risks and uncertainties related to successfully integrating the products and employees of the Company, as well as the ability to ensure continued regulatory compliance, performance and/or market growth. These risks, uncertainties and other factors, and the general risks associated with the businesses of the Company described in the reports and other documents filed with the SEC, could cause actual results to differ materially from those referred to, implied or expressed in the forward-looking statements. The Company cautions readers not to rely on these forward-looking statements. All forward-looking statements are based on information currently available to the Company and are qualified in their entirety by this cautionary statement. The Company anticipates that subsequent events and developments will cause its views to change. The information contained in this presentation speaks as of the date hereof and the Company has or undertakes no obligation to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise.

**STRATA**  
SKIN SCIENCES



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## STRATA Investment Highlights



Providing physicians with a **platform of growth** by offering **reimbursable solutions for psoriasis, vitiligo and eczema** and is differentiated by its leading technologies and clinical superiority as well as its value added services - **DTC**, insurance reimbursement advocacy and field service - **enhancing customer business outcomes**

### **BEST-IN-CLASS TECHNOLOGIES**

XTRAC, VTRAC, STRATAPEN, Optimal Therapeutic Dose (OTD)

### **SIGNIFICANT OPPORTUNITIES TO DRIVE DOMESTIC RECURRING REVENUE GROWTH**

- o Return to DTC marketing, including cost-effective social media
- o Increase patient population - broaden targeted market to other approved indications
- o Increase protocol compliance, improve clinical outcomes and drive patient retention
- o Increase installed base to improve market coverage

### **SIGNIFICANT OPPORTUNITIES TO DRIVE OUS REVENUE GROWTH**

### **MANAGEMENT TEAM WITH EXPERIENCE IN COMPANY TURNAROUNDS**

STRATA  
SKIN SCIENCES

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# Product Roadmap **Commercially Available**

## FULL PRODUCT LIFE CYCLE

Medical  
Technology



Development  
and SAB



FDA  
Regulation



Physician Adoption  
& Acceptance



Patient  
Acquisition



Patient  
Retention

XTRAC XL  
AL7000



**2001**  
K003705



**2003**  
K031451\*



**2004**  
K041943



**2005**  
K051428



**2008**  
K073659



**2012**  
K073659

Ultra & Ultra  
Plus AL8000



VTRAC  
Lamp



Ultra2 (AL10000)  
V400, V700



V7



STRATA  
SKIN SCIENCES

*\*expanded indications*

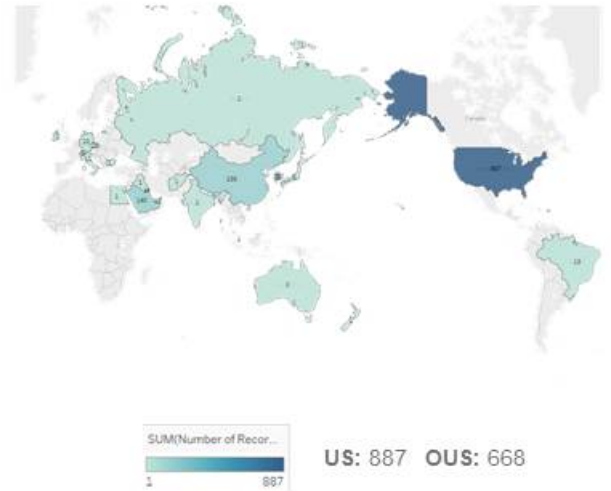
# Global Installed Base - Lasers In Service

Over 1,550 Lasers Installed Worldwide\*

Marketed in the U.S. mainly under a recurring revenue model in which systems are placed in physicians' offices for no upfront charge, revenues on a per-use basis

Marketed OUS through distributors

Account: Country	Count of Account
Afghanistan	1
Australia	2
Brazil	13
Bulgaria	1
China	135
Czech Republic	15
Egypt	1
Germany	10
India	1
Iraq	1
Ireland	1
Italy	11
Japan	6
Kuwait	14
New Zealand	1
Russian Federation	1
Saudi Arabia	140
Singapore	1
South-Korea	282
Switzerland	5
United Arab Emirates	12
United States of America	887



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## Management Team

Dr. Dolev Rafaeli	President & CEO PhotoMedex, 2011-2017 & STRATA 2018
Shmuel Gov	Executive VP & General Manager, PhotoMedex, 2014-2015 & STRATA 2015 -
Matt Hill	VP & CFO, 2018
Keith Simeone	VP Sales, PhotoMedex, 2004-2015 & STRATA 2015 -
Jay Sturm, Esq.	General Counsel, 2015
Natalie Tucker	Technology Development, 2012

PhotoMedex

RADIANCY

Grant Thornton

Velcera

orbotech



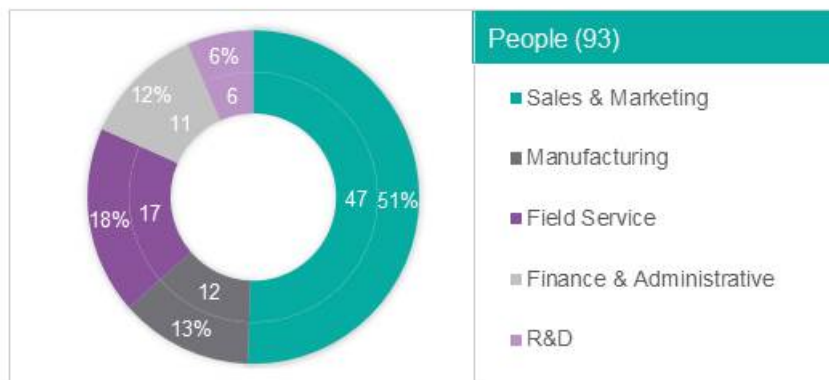
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# People, Intellectual Property, Facilities



**Customer Support**

**Call Center & Reimbursement Support Center**

	2015	2016	2017
Leads	36,473	21,296	7,269
Appointments	10,032	6,524	2,563
RDX charts	22,991	21,456	17,551

Facilities			IP
Location	Primary Purpose	ISO Certification	29 Patents Issued
Carlsbad, CA	Manufacturing	ISO:13486:2016	11 XTRAC & VTRAC
Horsham, PA	Management/Finance		18 MelaFind



# Disease Prevalence And Treatment Penetration



	Psoriasis	Vitiligo & Leukoderma	Eczema /Atopic Dermatitis
Patient Population WW (% of WW population affected)	125M (2-3%)	65-95M (0.5%-2%)	580M (3% Adults, 20% children<18)
Patient Population US	7.5M	1.6 - 6.5M	32M Eczema/ 18M AD
# XTRAC patients treated (US, 2016 by consigned lasers)	16K	5K	929
% of XTRAC patients (US, 2016)*	71%	21%	4%
% affected patient population treated by XTRAC (US)	0.01%	0.07% - 0.31%	0.000068%

# Xtrac®: Standard Of Care NB-UVB Treatment Of Psoriasis & Dermatological Conditions

XTRAC excimer laser, uses a highly targeted (308nm) beam of UVB light to treat affected skin areas without damaging surrounding tissue

FDA cleared for treatment of: psoriasis, vitiligo, atopic dermatitis, leukoderma

- Patients achieved > 95% clearance in just over 10 treatments<sup>1</sup> and at least 75% clearing with an average of 6.2 treatments<sup>2</sup>
- In clinical trials, most patients saw at least 75% improvement and many were clear or almost 100% clear in just 4 weeks
- Clinical studies have shown 90% clearance in 5 weeks or less<sup>3</sup>

No side effects, virtually pain free and no need for topicals

Reimbursable procedure under three CPT codes. Covered by most major insurance companies and Medicare. Well-established reimbursement

Endorsed by the National Psoriasis Foundation



2016 data. \*% other n=902

1. Taneja A, Trehan M, Taylor C. 308-nm Excimer Laser for the Treatment of Psoriasis— J. Am Acad Dermatol. Vol. 47, 2002 pp701-708.

2. Taneja A, Trehan M, Taylor C. 308-nm Excimer Laser for the Treatment of Psoriasis— Irritation-Based Dermatitis. Arch Dermatol. Vol. 139, June 2003, pp. 759-764.

3. Corber W, Amelger S, He TA, Herrmann J and Odenkess RM. Ultraviolet B 308-nm excimer laser treatment of psoriasis: a new phototherapeutic approach. British J Derm, vol. 148, December 2003, pp. 1250-1258.

# Success Criteria for Good Clinical Results

## Common Guidelines

01

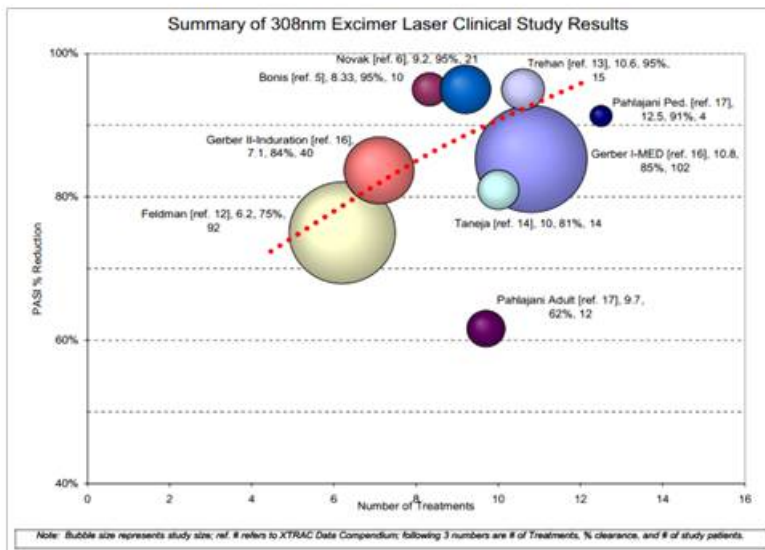
Start with a high dose

02

Increase dose at every treatment

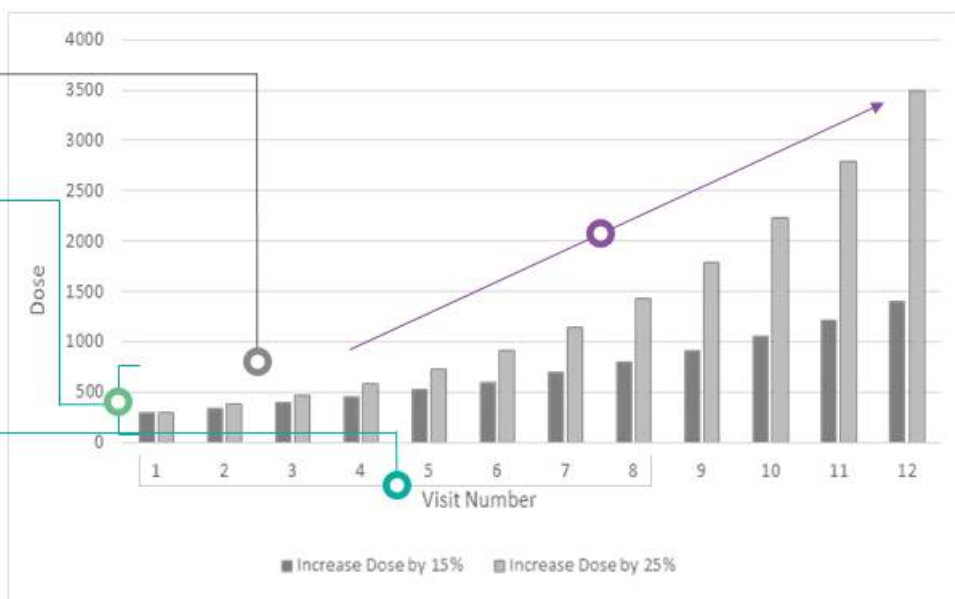
03

Patient must have **at least 8** treatments **in 6 weeks ("8N6")** - Consistency of recurring appointments is critical



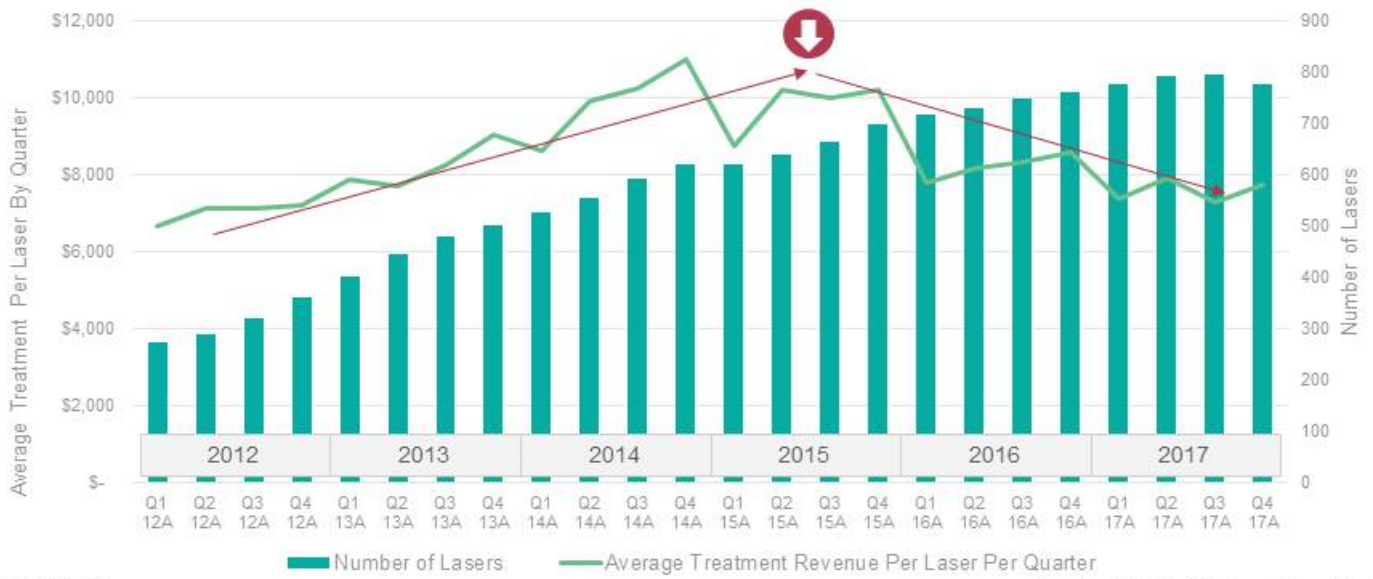
# Criteria For Optimal Clinical Outcomes: 8N6 Protocol

- 01 A few days between treatments:  
Minimum 8 visits in 6 weeks
- 02 Starting dose of at least 300 mj
- 03 Increase Dose over Time
- 04 Patient Returns:  
At least 8 visits per patient
- 05 ...and management of the  
database to track results



# Past Performance

Average Treatment Revenue Per Laser By Quarter



Based on STRATA 10-k Annual Report; Dec 31, 2017  
 \* STRATA bought XTRAC business from PhotoMedex in 2015

# Media Spend to XTRAC Treatment Revenue



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Based on STRATA and PhotoMedex Investor Presentations  
\* STRATA bought XTRAC business from PhotoMedex in 2015

# Turnaround Strategy

## Domestic Market

- Rebuild XTRAC value proposition for physician accounts
  - DTC as a revenue driver: Online and offline advertisement, in-house call center
  - Practice Development Programs: Improve office patient sign-up (increasing prescriptions for XTRAC)
  - Patient Communication: For both referrals and enrollment patients
  - Clinical Outcomes: Deploy Education for High Dose/OTD and 8N6 as drivers
  - New Technologies for scalp psoriasis and faster, more efficient treatment
- Current Excimer owners – Revisit “Comeback Program” (>250 dermatologists “came back” to recurring revenue model between 2012-2014)
- Expanding in-market network (location within 40 miles of every patient)
- Improving XTRAC market share within all disease indications

## OUS Markets

- Enhance technology offering
- Expand geographical reach in certain markets

Revenue = # of lasers x # of treatments/pt x # patients x cost x recurrence factor



# XTRAC DTC Advertising



**Psoriasis Laser Treatment - XTRAC Covered by Insurance**  
[Ad consultations.xtracclear.com/](https://www.xtracclear.com/consultations)  
 Treats psoriasis on scalp, hands, face, feet, etc. Dermatologist Recommended.  
 Medicaid & Medicare Okay · No Drugs or Side Effects · FDA-Cleared · Virtually No Pain

**XTRAC Vitiligo Laser Treatment - Dermatologist Recommended**  
[Ad consultations.xtracclear.com/](https://www.xtracclear.com/consultations)  
 Excellent Results in 3-4 Months. Treats Any Body Area. Covered by Insurance.  
 Medicaid & Medicare Okay · FDA-Cleared · No Drugs or Side Effects · Virtually No Pain

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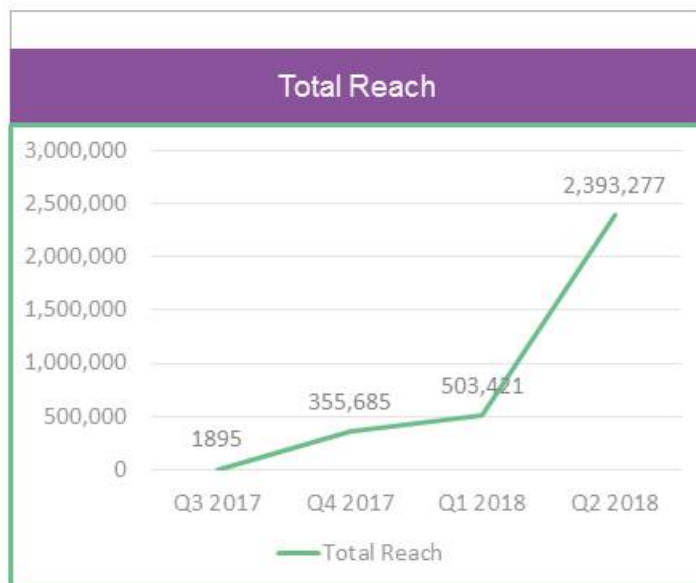
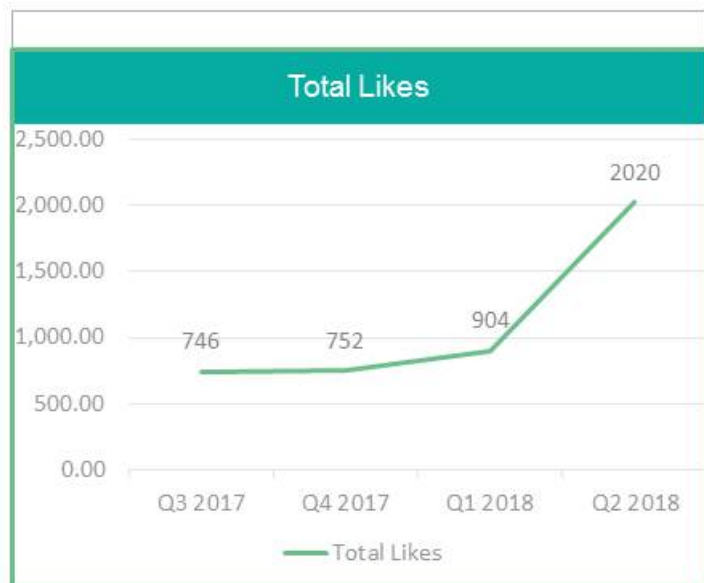


# Lead Generation is a **Business Driver**



Patient leads  
generated by DTC in  
a single quarter

## Social Media Reach Initial Results



# XTRAC State Of The Union (Q1 2018)

## Clinical Outcomes

40% of all patients treated have a regimen that provides NO clinical result

Adding all patients to **8N6** will increase Company revenue by **\$5.4M annually (\$7k/account)**

\*If every 2<sup>nd</sup> patient has 2 regimens instead of 1 = 32% greater revenue per account

## Retention Rates

Patient Retention Rate (more than 1 course of treatment): **13%**

Adding only 1 additional regimen, in just 50% of the accounts will increase revenue by **\$8M annually (\$10k/account)**

	Avg. No. Patient Regimens		Per Acct Revenue	Install Base Revenue
	1	*2+		
Breakdown of Patient Population	87%	13%	\$31,510	\$23,632,537.50
	75%	25%	\$34,856	\$26,142,187.50
	50%	50%	\$41,828	\$31,370,625.00
	25%	75%	\$48,799	\$36,599,062.50
	0%	100%	\$55,770	\$41,827,500.00

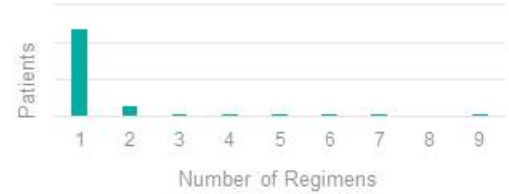
Assumptions: Number of Accts: 750, Number of visits 11, \*Number Regimens 2

## Implication Of Compliance On Treatment Length

Type of patient	Number of Visits on Average
Comply 8+6	11
Not Comply	4

\*Lifetime Patient Visits Average = 22

## Number of Treatment Regimens



Average Number Regimens: 1.19

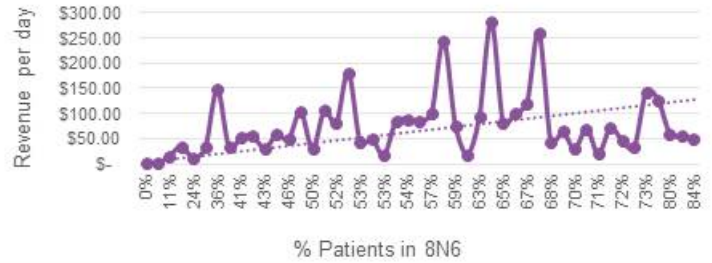
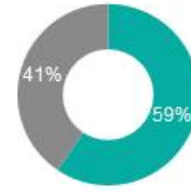
$$\text{Revenue} = \# \text{ of lasers} \times \# \text{ of treatments/pt} \times \# \text{ patients} \times \text{cost} \times \text{recurrence factor}$$

# Coupons as a Promotion Tool and a Proxy For Treatment

If all patients utilizing coupons were in the **8N6** or better, domestic revenue could increase by **\$5.4M (\$7k/account)**



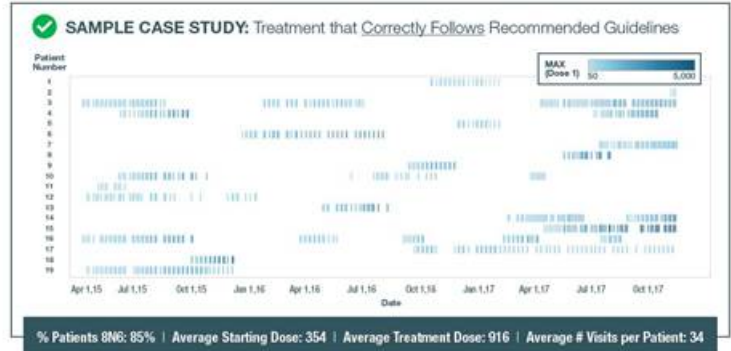
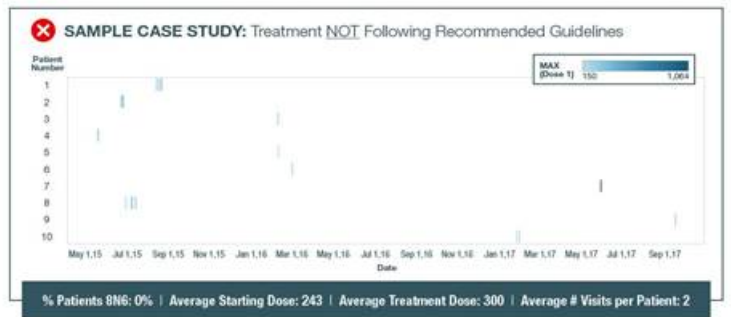
Patients Meeting 8N6



$$\text{Revenue} = \# \text{ of lasers} \times \# \text{ of treatments/pt} \times \# \text{ patients} \times \text{cost} \times \text{recurrence factor}$$

## Case Examples

Data collected directly from the lasers demonstrates the importance of following treatment guidelines



$$\text{Revenue} = \# \text{ of lasers} \times \# \text{ of treatments/pt} \times \# \text{ patients} \times \text{cost} \times \text{recurrence factor}$$

# Optimal Therapeutic Dose (“OTD”)



## MECHANISM

Tip applies 4 simultaneous doses of energy to the patient's plaque



## PURPOSE

To minimize number of treatments to clearance



## USE

Dose allows provider to determine blister threshold unique to each patient and each plaque. Expected submission planned for end of Quarter.

## Beam profile through filters



## Filter Specifications



# OTD Advantages in the Market

Attributes	OTD Treatments	Traditional Treatments
Office Visits	1x / week	2x / week
Treatment Weeks	4-6	6-10
Protocol Variance (#1 cause of poor results*)	Dosing Standardized (no physician input required)	Requires physician assessment at every visit (+/-) 0% - 25% dose
Treatments per Year	8	22
Income per Tx	\$70	\$70
Annual Income	\$560	\$1,540
5-Year Time Horizon	\$2,800	\$7,700
Retention Rates (R)	75%	13%
Discount Rate (i)	10%	10%
Customer Lifetime Value (CLV)	\$6,000	\$1,032



- Retention Rates
- Treatment Energy to Treat Plaque
- Patient Compliance
- Faster Results

Current treatment model requires constant influx of NEW patients to offset retention rates. OTD model adds value to every patient by **increasing retention rates**; making new patients less critical to revenues.

\*results of survey of sales representatives 2017

Revenue = # of lasers x # of treatments/pt x # patients x cost x **recurrence factor**



# Clinical Trials

## Study 1: UCSF



Dr. Tina Bhutani

### Study Details

**Metrics:** mPASI & Physician Global Assessment (PGA)

**Endpoint:** Protocol & Dose Varied

**Patients:** 4

## Study 2: Multi-Center



Dr. Ben Lockshin



Dr. Neal Bhatia



Dr. Tina Bhutani

### Study Details

**Metrics:** mPASI and Patient Response Surveys

**Endpoint:** Percentage improvement in regional PASI score (mPASI) @ three effectiveness time points: 4 weeks, 8 weeks, 12 weeks.

**Patients:** 15



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Study #1 @ UCSF



Nearly 100% clear in 4 treatments

# XTRAC Revenue Growth Drivers



Increase number of accounts



Better clinical outcomes



DTC sends more patients to physicians' offices



Disease market penetration



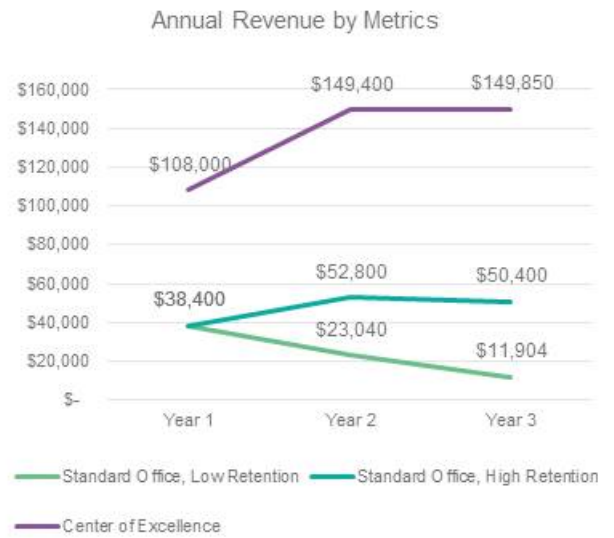
High Dose/OTD and 8N6 protocol help to retain patients for longer

Revenue = # of lasers x # of treatments/pt x # patients x cost x recurrence factor

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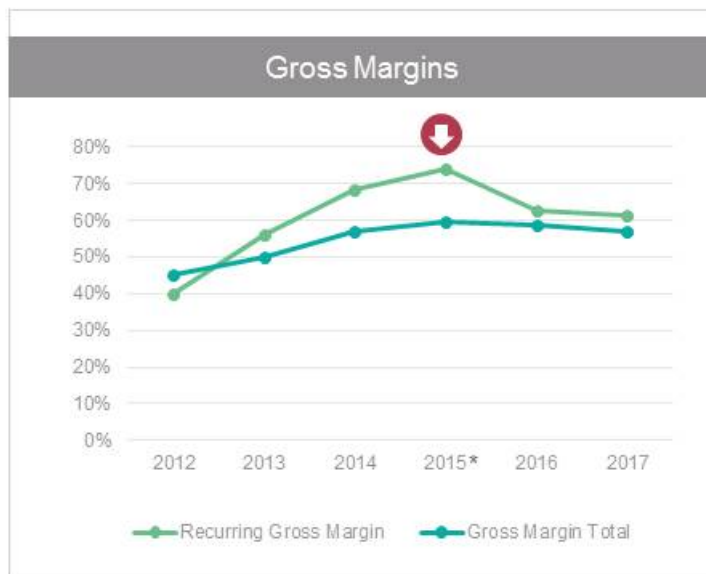
# Retention, Patient Pool, DTC & Sign-up Rate

	Standard Office: Low retention	Standard Office: High retention	"Center of Excellence"
Patients per year	32	32	90
Retention rate	10%	50%	75%
DTC per year	0	12	12
Avg. annual revenue	\$24,448	\$47,200	\$135,750
Growth Rate	-69%	31%	39%
Sign up rate	50%	50%	90%
Year 1	32 patients Revenue \$38,400	32 patients Revenue \$38,400	90 patients Revenue \$108,000
Year 2	19 patients Revenue \$23,040	44 patients Revenue \$52,800	125 patients Revenue \$149,400
Year 3	10 patients Revenue \$11,904	42 patients Revenue \$50,400	125 patients Revenue \$149,400



Revenue = # of lasers x # of treatments/pt x # patients x cost x recurrence factor

# Financial Profile Revenue And Gross Margins 2012-2017



## Financial Profile **Shares and Share Equivalents**

(As of Dec 31<sup>st</sup> and post closing)\*\*

	2015	2016	2017	Post Closing
Common stock outstanding	2,056,679	2,166,898	4,304,425	24,894,842
Convertible debentures	9,287,025	9,221,143	-	-
Convertible preferred stock	507,173	467,836	13,450,636	8,600,959
Stock options	536,904	900,139	865,722	3,722,129
Total common stock and equivalents ***	12,387,781	12,756,016	18,620,783	37,217,930

\*\* Split Adjusted

\*\*\* Does not include warrants as of December 31, 2017, 2016, 2015 of 2,406,626, 2,406,626 and 3,345,672, respectively with a weighted average strike price of \$5.52 as of December 31, 2017

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STRATA 10-k Annual Report; Dec 31, 2017

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## STRATA Investment Highlights



Providing physicians with a **platform of growth** by offering **reimbursable solutions for psoriasis, vitiligo and eczema** and is differentiated by its leading technologies and clinical superiority as well as its value added services - **DTC**, insurance reimbursement advocacy and field service - **enhancing customer business outcomes**

### **BEST-IN-CLASS TECHNOLOGIES**

XTRAC, VTRAC, STRATAPEN, Optimal Therapeutic Dose (OTD)

### **SIGNIFICANT OPPORTUNITIES TO DRIVE DOMESTIC RECURRING REVENUE GROWTH**

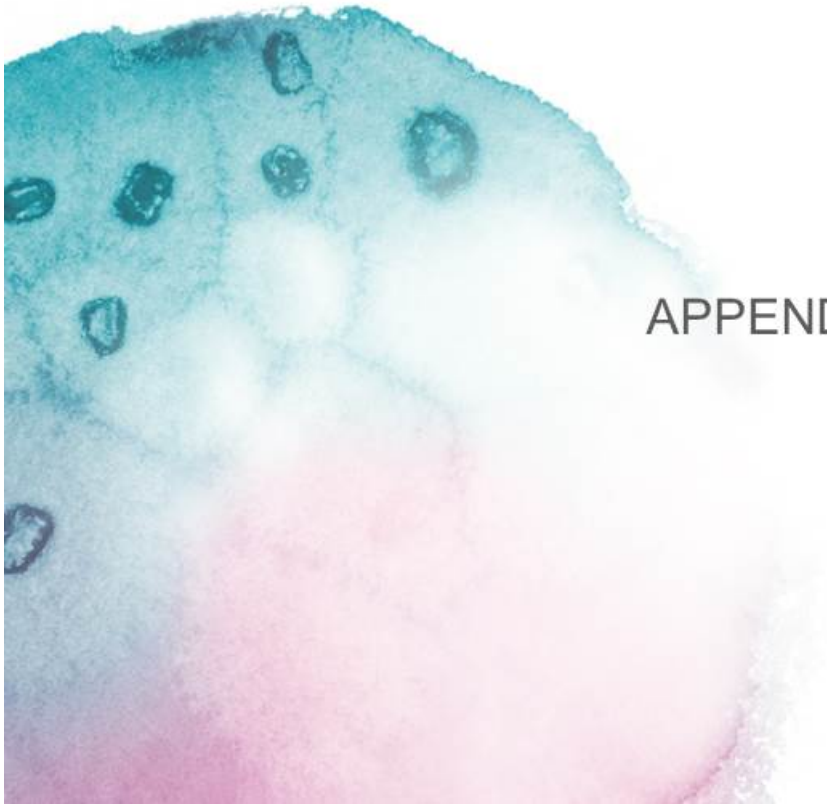
- o Return to DTC marketing, including cost-effective social media
- o Increase patient population - broaden targeted market to other approved indications
- o Increase protocol compliance, improve clinical outcomes and drive patient retention
- o Increase installed base to improve market coverage

### **SIGNIFICANT OPPORTUNITIES TO DRIVE OUS REVENUE GROWTH**

### **MANAGEMENT TEAM WITH EXPERIENCE IN COMPANY TURNAROUNDS**

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## APPENDIX

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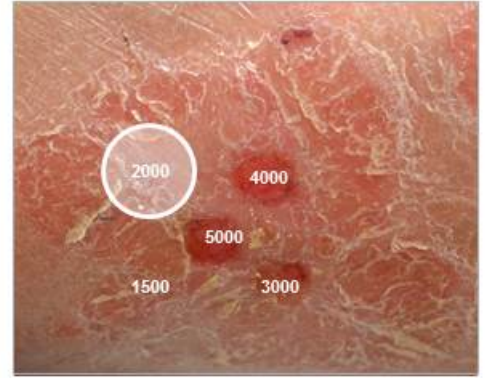
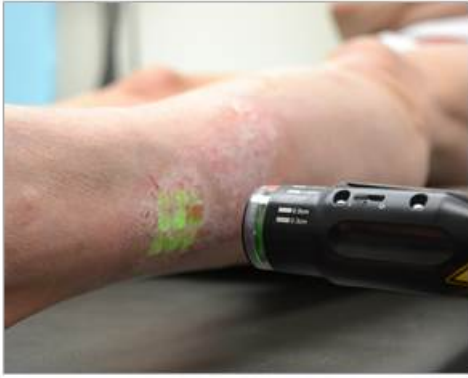
## Financial Profile Revenue And Gross Margins 2012-2017\*

\$ in Thousands	2012	2013	2014	2015	2016	2017
Recurring Sales	8,441	15,489	22,871	28,308	23,508	22,640
Total Sales	32,226	36,406	42,610	33,601	30,707	31,449
Gross Income Recurring Sales	3,357	8,683	15,652	20,989	14,745	13,896
Gross Margin Recurring Sales	39.8%	56.1%	68.4%	74.1%	62.7%	61.4%
Gross Income Total Sales	14,549	18,165	24,300	19,982	18,071	17,951
Gross Margin Total Sales	45.1%	49.9%	57.0%	59.5%	58.8%	57.1%



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## MMD Tip: Case Example



### CASE EXAMPLE: TEST DOSE 5000 MJ/CM<sup>2</sup>

First Non-Blistering Dose = 2000 mj/cm<sup>2</sup>

Dose at 2000 mj/cm<sup>2</sup> until scaling and induration subside

# Board of Directors



## **Dr. Uri Geiger**

Chairman, Co-Founder and Managing Partner of Accelmed Growth Partners. Previously CEO of Exalenz Bioscience Ltd., GalayOr Networks and founding partner of Dragon Variation Fund.

## **David Gill**

Served as President & Chief Financial Officer of EndoChoice Inc., and previously served as CFO of INC Research and TransEnterix, Inc.

## **Nachum (Homi) Shamir**

President & CEO of Luminex Corporation, previously served as President & CEO at Given Imaging and Scitex Corporation, and served as President of Eastman Kodak's Transaction and Industrial Solutions Group.

## **Samuel (Milky) Rubinstein**

Over 20 years of experience as CEO and General Manager of Taro Pharmaceuticals Industries.

## **LuAnn Via**

Over 20 years of experience in leadership roles, including President & CEO of Christopher & Banks Corporation, and Payless ShoeSource.

## **Samuel Navarro**

Current Managing Partner at Gravitax Healthcare, LLC, previously a Managing Director at Cowen & Co., and Senior Portfolio Manager at healthcare investment fund.

## **Dr. Dolev Rafaeli**

Over 25 years of experience in the healthcare, medical device, consumer & industrial services fields. Current President & CEO of STRATA Skin Sciences, previously CEO of PhotoMedex, Inc., and President & CEO of Radiancey Inc.

