

## TERMS AND CONDITIONS APPLICABLE TO PURCHASE/RENTAL OF ULTHERA® PRODUCTS, PURCHASE OF OTHER MERZ AESTHETICS PRODUCTS

**1. Agreement:** Customer's ("Customer's") signed Merz sales or rental agreement, these Terms and Conditions, and the Product invoice(s) sent to Customer by Merz (collectively, this "Agreement") constitute the entire binding agreement by and between Customer and Merz North America, Inc. ("Merz"; Customer and Merz, hereinafter, collectively, the "Parties") relating to Customer's purchase or rental (as applicable) and use of the Ulthera System and Customer's purchase and use of Ulthera Transducers, Neocutis® products, Radiesse® products, Belotero® products, Xeomin® Aesthetic products, Asclera® products, and DeScribe® products (such Merz products, hereinafter collectively, the "Products"). This Agreement supersedes all other agreements and understandings, whether written or oral, between the Parties relating to the purchase and/or rental (as applicable) of the Products. Notwithstanding anything to the contrary, whether executing a purchase order, quotation, proposal, standing order, or letter of authorization, or by accepting delivery of the Products, Customer agrees to be bound by and accept the terms and conditions contained in this Agreement. No additions, conditions, amendments, alterations, or modifications by Customer or any other person, whether oral or contained in any other documents submitted from Customer to Merz will be binding on Merz, regardless of Merz's failure to object or Merz's shipment of Products, unless otherwise agreed to in writing and signed by Merz. These terms and conditions may be updated or amended from time to time by Merz without notice to Customer; a copy of such updated terms will be available for Customer's review at <http://www.merzusa.com/about-merz/terms-and-conditions-products/>. Customer agrees to be bound by the most recent terms. THIS AGREEMENT WILL APPLY UNLESS CUSTOMER HAS A SEPARATE WRITTEN AGREEMENT WITH MERZ THAT EXPRESSLY REPLACES THIS AGREEMENT.

### **2. Product-Specific Payment Terms:**

**(A) Applicable to Ulthera System Purchases:** A non-refundable \$10,000 deposit is required to secure purchase of *each* Ulthera System. Full payment of the balance due prior to receipt of the System, unless the Parties have expressly agreed to a different payment schedule in writing.

**(B) Applicable to Transducer Purchases As Well As Purchase of Neocutis, Radiesse, Belotero, Xeomin Aesthetic, and DeScribe:** Payment in full is due upon receipt of the order unless the Parties have expressly agreed to a different payment schedule in writing. Customer hereby grants permission to Merz to charge Customer's credit card for any such order, including automatic Transducer orders.

**(C) Applicable to the Ulthera System Rental and Transducer Purchase Program:** Upon Customer's execution of this Agreement and payment of the initial System rental fee initial Transducer order (which may be made via credit card payment to Merz or through a third-party financing company), Merz shall ship the System to the Customer location set forth in the rental agreement. Customer shall obtain Merz's prior written permission before moving the System to any other location. The System is being provided to Customer as a lease; Merz continues to own the System. During the rental term, Customer shall be responsible for: (a) ensuring that the System is used under the supervision of an appropriately licensed physician and in accordance with the Ulthera Instructions for Use and User Manual and all applicable laws and regulations; and (b) all risk of loss or destruction of or damage to the System. Merz may, but need not, file UCC financing statements to give public notice of Merz's ownership of the System. Customer shall not allow access to the System by third parties, or remove any asset or ownership tags or stickers from the System. Customer shall not pledge or encumber the System, permit any lien or other encumbrance against the System, or make any representation to any third party which is inconsistent with Merz's ownership.

Customer's System rental term (including related rental fee obligations) shall automatically begin upon the initial System rental fee due date and shall last for an initial period of twenty-four (24) months. Provided that Customer is current on its payment obligations and otherwise in compliance with this Agreement, Customer may elect one of the following three options via written notice to Merz at least thirty (30) days prior to the end of the 24-month term: (i) renew this Agreement for an additional twelve-month period, in which event Customer's System rental fee obligations shall continue for the subsequent twelve-month period; (ii) purchase the System at a price to be determined by Merz based upon the value of the system at the time of purchase, at which point Customer agrees to execute a System sales agreement; (iii) return the System and any unused Transducers to Merz in accordance with Merz's return instructions. Customer may terminate this Agreement in the middle of any rental term upon written notice to Merz, provided that any such termination shall cause all outstanding rental fees for such term to become immediately due and payable, and provided further that Customer must return the rental System and any unused Transducers in accordance with Merz's instructions. Additionally, Merz may at any time, in its absolute and sole discretion, terminate this Agreement immediately upon written notice to Customer, upon which time Customer shall immediately return the System and any unused Transducers in

accordance with Merz's instructions.

The System rental fees and the Transducer purchase prices shall be as set forth in the rental agreement. The initial System rental fee is due and payable within five (5) business days after the beginning of the month following System shipment. Thereafter, System rental fees shall be due and payable on a monthly basis within five (5) business days of the beginning of each applicable month. Full payment of each Transducer order is due prior to receipt of the Transducers. If Customer is paying Merz directly, the above fees will be automatically charged to Customer's credit card, and Customer hereby grants permission to Merz to charge Customer's credit card. If Customer has entered into a third-party financing arrangement, the third-party financing company will remit the fees to Merz for Customer as long as Customer remains current on its payments to the financing company.

Customer hereby grants to Merz, and agrees to maintain, a first-priority security interest in all Systems and Transducers, which are provided as collateral pursuant hereto, and which shall be deemed security for Customer's payment obligations herein.

**(D) Applicable to All Products:** All orders are subject to credit approval of Customer. Applicable sales tax will be invoiced unless Customer supplies a valid tax-exempt certificate prior to delivery. While packaged pricing may be quoted to Customer and/or displayed on Customer's sales or rental agreement, individual product pricing and applicable discounts will be listed on the subsequent Merz invoice(s) provided to Customer. Applicable shipping, handling, and other taxes will be added to the final invoice price for each order. Customer may specify a bill-to address which is different from Customer or a credit card which is different from Customer's own credit card, but Customer understands and agrees that: (1) Customer is responsible for use and administration of the Product; and (2) Merz will hold Customer jointly and severally liable for all outstanding balances hereunder in the event that such bill-to third party is delinquent with payment(s) or in the event that any such credit card is declined. If Customer's account is delinquent by more than thirty (30) days, it shall accrue interest at the rate of 1.5% per month on the balance due or, if less, the maximum rate permitted by law. Merz reserves the right to discontinue Products without prior notice or modify future Product purchase prices without notice.

If Customer fails to fulfill the terms of payment or does not meet Merz's continuing credit requirements, Merz will have the option to do one or more of the following: (i) decline to accept orders or fulfill pending orders; (ii) require all pending and future orders to be on a prepaid basis; (iii) delay any shipment until payment is received by Merz or further assurances asked for by Merz are received; (iv) declare all outstanding sums immediately due and payable; (v) require payment for all Products delivered hereunder to be made by irrevocable letter of credit in a form approved by Merz; and/or (vi) for Ulthera System rentals, terminate Customer's right to use the System and demand immediate return of the System, or, if Customer fails to comply with such immediate return instructions, remit an invoice to Customer for the full price of the System, which Customer agrees to pay in full within 30 days of receipt.

Nothing contained herein will release Customer from any previous obligations. Customer will be liable to Merz for all costs incurred by Merz in its collection of any amounts owing by Customer which are not paid when due, including collection agencies' and attorneys' fees and expenses, regardless of whether a lawsuit is commenced. All orders are subject to current credit approval. From time to time, Merz may review Customer's creditworthiness. Customer agrees to provide Merz with all credit information reasonably requested, and Customer represents and warrants to Merz now, and each time Customer places an order, that all information Customer has provided is true and correct.

**(E) If Customer Is Receiving Non-Merz Devices as Part of a Package Deal:** Any purchases of a Spectrum Laser/IPL System, Phoenix CO2 Laser, PiXel8-RF Radio Micro Needling System, Arctic Chill Cold Air System, EpiLaze Hair Removal System, PowerSculp (aka BodySculp) Laser Lipolysis System, and/or PicoLazer System (collectively, the "Rohrer Products") are purchases directly from, and sales directly by, Rohrer Aesthetics, LLC ("Rohrer"). Any purchases of a PRO-NOX Nitrous Oxide System ("PRO-NOX") are purchases directly from, and sales directly by, CAREstream Medical, Ltd. ("CAREstream"). Customer acknowledges and agrees that: (1) neither the Rohrer Products nor the PRONOX are Merz products, and Customer is not purchasing the Rohrer Products or the PRO-NOX from Merz; (2) Customer's purchase, receipt, and use of the Rohrer Products is subject to Rohrer's terms and conditions of sale, a copy of which Rohrer has provided for Customer's information purposes, but which does not form a part of this Agreement between Customer and Merz; (3) Customer's purchase, receipt, and use of PRO-NOX is subject to CAREstream's terms and conditions of sale, which CAREstream may provide to Customer upon Customer's request, but which do not form a part of this Agreement between Customer and Merz; (4) any and all Rohrer Product-related complaints or adverse event reports must be reported to Rohrer in accordance

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with Rohrer's reporting procedures; (5) any and all PRO-NOX-related complaints or adverse event reports must be reported to CAREstream in accordance with CAREstream's reporting procedures; (6) Rohrer will contact Customer directly to arrange for training on the Rohrer Products; (7) CAREstream will contact Customer directly to arrange for training on PRO-NOX; (8) Merz makes no representations or warranties regarding the Rohrer Products or PRO-NOX; (9) no Merz products have been cleared for use in combination with any Rohrer Product or PRO-NOX; (10) MERZ EXPRESSLY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND NONINFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS WITH RESPECT TO THE ROHRER PRODUCTS AND PRO-NOX, AND MERZ SHALL HAVE NO LIABILITY TO CUSTOMER, ITS AFFILIATES, OR ITS END CUSTOMERS, OR TO ANY OTHER THIRD PARTY, FOR ANY ALLEGED OR ACTUAL DAMAGES, OR AS A RESULT OF ANY INFRINGEMENT OF ANY INTELLECTUAL PROPERTY RIGHT OF ANY THIRD PARTY, RELATING TO THE ROHRER PRODUCTS OR THE PRO-NOX; (11) Customer shall seek remedy solely from Rohrer with respect to any and all contract-related and product-related disputes relating to Rohrer Products; and (12) Customer shall seek remedy solely from CAREstream with respect to any and all contract-related and product-related disputes relating to PRO-NOX.

**3. Delivery and Risk of Loss; Lead Times:** Unless otherwise agreed in writing between the Parties, all Product orders within the United States will be delivered FOB Merz's facilities. Upon Merz's tender of the Products to a common carrier, title and risk of loss shall pass to Customer, and delivery shall be deemed completed. Quoted delivery dates are estimates only; however, Merz will make commercially reasonable efforts to fulfill each order by the quoted delivery date. At times, Merz may ship partial orders as needed. All shipments are fully insured for the benefit, and at the expense, of Customer.

### **4. Inspection and Acceptance:**

**(A) Applicable to Ulthera Products:** Delivered Products which have been purchased may not be returned. Customer must inspect delivered Products and report claims for defects, damages, shortages, or receipt of wrong Products which are discoverable on a visual inspection within 72 hours of delivery, or the purchased Products will be deemed irrevocably accepted and such claims will be deemed waived.

**(B) Applicable to Non-Ulthera Products:** Please refer to Merz's Return Materials Policy, available at <https://www.merzusa.com/about-merz/terms-and-conditions-products/>, for information on whether or not the specific Product is returnable. If a Product is eligible for return and Merz approves the return, then, upon Customer's return of the Product, Customer's sole remedy and Merz's sole liability shall be replacement of the Product or credit at the original Product invoice price.

Customer must inspect delivered Products and report claims for defects, shortages, or receipt of wrong Products within ten (10) business days of delivery, or the Products will be deemed irrevocably accepted and such claims will be deemed waived. Customer shall communicate any such claims to Merz via telephone at 1.866.636.2884 or via e-mail to [orders@merz.com](mailto:orders@merz.com).

**(C) Applicable to All Products:** Orders may not be cancelled after shipment. In no event will promotional Product or expired Product be returnable or replaced by Merz. Shipping damage claims must be made by Customer directly with the shipping company in accordance with such company's policies, which generally require such claims to be made prior to the time the carrier of the Products leaves the delivery destination. In the event of loss or damage in transit, Customer's payment obligations will not be affected, and Merz will act as Customer's agent in making any necessary insurance claim. No acts on the part of Merz, including but not limited to, Merz's receipt of returned Products purchased by Customer, shall constitute Merz's approval and acceptance of the returned purchased Products or cancelled purchase order.

**5. Changes to Products:** Merz may change the design, construction, or composition of the Products. In the event a significant change occurs after Customer's order but prior to shipment, Merz shall notify Customer, and Customer shall be entitled to accept the changed Product, or to cancel this Agreement as to that Product only and receive a refund of any monies paid for that Product only. The foregoing shall be Customer's sole and exclusive remedy for any Product changes prior to delivery, and Merz shall have no other liability whatsoever for any such changes.

### **6. Use and Transfer of Products:**

**(A) Applicable to All Products:** Merz documents and tracks the Product(s) delivered to each Customer site. The Products, and any samples thereof which Merz may provide to

Customer, are exclusively for Customer's professional use with, or, in the case of Neocutis Products, resale to, Customer's patients. Customer agrees that it shall not, directly or through any other parties, offer for sale or sell Products online.

Merz's name and logo; the Product images and descriptions; Merz's website designs; the look and feel of its websites; the text, graphics, button icons, images, audio clips, page headers, trademarks, and content; the selection and arrangement of any of the foregoing; and all related software belongs to or is licensed to Merz, and is protected by U.S. and international laws, including laws governing copyrights and trademarks. Permission is granted to electronically copy and to print in hardcopy certain Product promotional materials made expressly available to Customer by Merz for Customer's use in marketing and selling Product to Customer's patients. Any other use of the materials without the prior written permission of Merz is strictly prohibited. Use of any such materials in any manner that is likely to cause confusion among end customers, or in any manner that disparages or discredits Merz, is also prohibited.

Customer acknowledges and agrees that the Products are covered by valuable intellectual property owned by or licensed to Merz, including one or more valid United States patents. Neither this Agreement nor Customer's purchase of the Product shall be construed as a grant of any other rights in or to the intellectual property covering the Products. Customer acknowledges that Customer's use of Products other than those purchased directly from Merz, or unauthorized sale/transfer/rental/leasing of Product(s), would cause immediate, material, and irreparable harm to Merz. **In the event of any violations of this Article, then, in addition to any other remedies available to Merz, (i) any Product-related limited warranties or service contracts in effect are automatically void, and Merz shall have no obligation to refund Customer the amounts paid for any service contracts; (ii) Merz may cancel or reduce the quantity of any current orders or (if applicable) demand immediate return of any rented Ulthera Systems; (iii) Merz may refuse to sell future Products to Customer; and/or (iv) Merz may remove Customer from Merz's physician finder portal.**

**(B) Applicable to Non-Neocutis Products:** Products must be administered under the direction of a physician, in accordance with the Instructions for Use and Customer's applicable state medical regulations. Merz prohibits the re-sale, rental, or leasing of Products. Sale or transfer of Products to third parties for uses unauthorized by Merz (e.g., refurbishment, modification, etc.) is also prohibited. Customer acknowledges that Products refurbished by or purchased from parties other than Merz are not FDA-cleared/approved, do not meet the strict manufacturing and quality controls of Merz, and may result in patient safety concerns. If Customer uses Products refurbished by or obtained from parties other than Merz, Customer assumes full liability for any adverse event that occurs. In addition, because it is unable to regulate the quality of such Products, Merz may be required to notify the FDA of any known violations, as well as any individuals suspected of being involved in these unlawful practices.

**7. Ulthera System Training:** Purchase or rental of an Ulthera System includes three (3) days of training (up to six hours per training day; limited to two staff members per training day). All such complimentary training is subject to Merz guidelines, which include certain pre-training criteria which Customer must meet, as well as limitations on complimentary transducer use. If Customer receives training as part of its rental agreement and subsequently purchases the System, Customer will not receive additional complimentary training.

Customer may purchase additional initial or advanced Ulthera System training for \$1,250 per training day (up to six hours per training day; limited to two staff members per training day), which fee must be paid in full prior to the training taking place unless otherwise agreed upon in writing by Merz. Customer is responsible for providing transducers for use during such additional training sessions at Customer's own expense.

### **8. Ulthera System Limited Warranty, Ulthera System Service Contract (Only Applicable if Customer has Purchased or Rented an Ulthera System):**

**(A) Limited Warranty Terms:** Merz hereby extends the following System-related warranty (hereinafter, the "Limited Warranty") to Customer: the Ulthera control unit, the Ulthera hand piece, and the Ulthera power cord (hereinafter, the "Equipment") shall be free from material defects and shall function in accordance with the written technical specifications and standards set forth in the Ulthera System User Manual (such specifications and standards, the "Specifications"). If during the Limited Warranty Term (as defined below) a piece of Equipment does not function in accordance with the Specifications, Merz will facilitate the repair or replacement of the non-functioning Equipment at no cost to Customer, which repair and replacement will include parts and labor and will cover applicable shipping charges.

The Limited Warranty Term for Customers who purchase an Ulthera System shall begin

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on the date that Customer purchases the System and shall be in effect for five (5) years. The Limited Warranty Term for Customers who are renting an Ulthera System shall begin on the date the Ulthera System is delivered to Customer and shall be in effect for the rental term.

**(B) Service Contract Terms (Only Applicable if Customer has Purchased a Separate Service Contract):** During the one-year period beginning upon the expiration of Customer's Limited Warranty or beginning upon the expiration of Customer's immediately-preceding Service Contract (the "Service Contract Term"), if any piece of Equipment ceases to function in accordance with the Specifications, then Merz will facilitate the repair or replacement of the non-functioning Equipment at no cost to Customer, which repair and replacement will include parts and labor and will cover applicable shipping charges. During the Service Contract Term, and upon Customer's request, Merz may also examine, test, and recertify the Equipment. Alternatively, Customer may send a copy of their Ulthera System support log to Merz, and Merz will confirm whether or not the Equipment is functioning in accordance with the Specifications. The Service Contract applies only to Equipment provided with Ulthera Systems which are owned and operated in the United States.

**(C) Terms Applicable to Both Limited Warranty and Service Contract.** If Merz is unable to resolve an Equipment defect remotely through phone or electronic troubleshooting, Merz will provide Customer with a loaner or replacement device to ensure continued operation at Customer's site. Merz will cover shipping charges to and from the Customer's site on the loaner device and on Customer's inoperable Equipment. If a loaner is provided, upon completion of repair, Merz will redeliver the Equipment and arrange for pickup of the loaner device. Merz reserves the right to charge Customer list price for any loaner devices not returned in accordance with Merz's instructions.

During the Limited Warranty or Service Contract Term, as applicable, Merz will provide to Customer any software update(s) or upgrade(s) which are offered generally to all Ulthera customers free of charge and which enhance Ulthera System functionality or allow access to new, FDA-cleared procedures. The foregoing does not include any Ulthera System upgrades to diagnostic-quality imaging which would require a separate transducer.

The Limited Warranty/Service Contract is personal to Customer and is nontransferable. The System must be operated at all times in accordance with the Specifications. Customer must notify Merz of any defect or non-functionality covered by the Limited Warranty/Service Contract within seventy-two (72) hours of the event in order for the event to be eligible for coverage. The Limited Warranty/Service Contract does not cover damage to Equipment resulting from misuse, abuse, accident, or other use not strictly in accordance with the Specifications. The System is comprised of integrated pieces of sensitive, calibrated, electronic, plastic and metal parts and can be easily damaged if not handled carefully. Causing the Equipment (or any other part of the System) to come in contact with foreign substances or foreign objects can cause irreparable damage, which events are not covered by the Limited Warranty/Service Contract. The foregoing are for illustration only and are not meant as an exhaustive list of events that would not be covered under the Limited Warranty/Service Contract because of misuse, abuse, accident, or other use not strictly in accordance with the Specifications. Customer must install all Software (as defined in Article 9) updates and upgrades provided to Customer during the Limited Warranty/Service Contract Term.

Merz is the only authorized service provider for the Equipment. Due to safety and quality concerns, Merz prohibits the repair of any Equipment by an unauthorized service provider. Use of an unauthorized service provider will immediately void any and all warranties or service contracts in effect.

**9. Limited Ulthera System Software License:** If Customer purchases an Ulthera System, then, in consideration for Customer's full payment of the Ulthera System purchase price and compliance with all applicable terms and conditions in this Agreement, Merz hereby grants Customer a nonexclusive, nontransferable, revocable personal license to use the Ulthera System software ("Software") according to the terms set forth herein. If Customer is renting an Ulthera System, then, during the System rental term, in consideration for Customer's timely payments and compliance with all applicable terms and conditions in this Agreement, Merz hereby grants Customer a nonexclusive, nontransferable, revocable personal license to use the Software according to the terms set forth herein.

The Software may only be used by Customer in its practice for administration of Ultherapy. Use by third parties is not permitted without separate authorization from Merz. Customer agrees not to use, promote, advertise, market, publish, transfer, distribute, rent, license, sell, copy, modify, create derivative works from, or use in a timesharing arrangement, the Software, or any copy thereof, in whole or in part, except as expressly

provided in this Agreement. Customer agrees not to reverse engineer, disassemble, decompile, translate, modify, violate, circumvent or otherwise tamper with the Software, or otherwise attempt to derive the source code of any of the Software's software. Customer agrees not to develop, distribute or sell applications that are capable of launching, being launched from, or are otherwise integrated with, the Software. Customer acknowledges and agrees that the Software is the proprietary property of Merz and/or its affiliates, and is protected under copyright and/or patent law both in the U.S. and in countries foreign thereto. Customer further acknowledges and agrees that all right, title, and interest in and to the Software, including intellectual property rights associated therewith, are and shall remain with Merz and/or its affiliates. This Agreement does not convey to Customer an interest in or to the Software, but only a limited right of use in accordance with the terms of this Agreement, which right may be revoked by Merz in its sole discretion if Customer violates any of the terms or conditions of this Agreement.

**10. Separate Pricing Policies Not Part of this Agreement:** Merz has implemented unilateral pricing policies with respect to Neocutis and Ulthera Products, which policies include recommended minimum advertising pricing for Neocutis and Ulthera Products. Such policies, available to access on the *My Merz Portal*, are for Customer's information only, and are in no way a contract between Merz and Customer.

**11. Reporting Technical Complaints Handling:** Customer will maintain adequate tracking for the Products to enable Merz to meet the FDA's product-tracking and reporting requirements. Customer agrees to notify Merz within 24 hours of the occurrence of any event or reaction (or promptly after any such occurrence for Neocutis Products) that: (i) reasonably suggests that a Product has or may have caused or contributed to a death or serious injury; (ii) may have resulted from Product-related failure; malfunction; improper or inadequate design, manufacture, composition, or labeling; or user error; (iii) is an unexpected outcome beyond the applicable Product's label (including lack of effect or extended effect). **To report suspected adverse events or reactions, contact Merz as per below, and/or contact the FDA at 1-800-FDA-1088 or www.fda.gov/medwatch:**

- Phone: 844-4MY-MERZ (844-469-6379) or 866-862-1211

- Email: [adverse.events@merz.com](mailto:adverse.events@merz.com); for Ulthera Products: [field\\_events@merz.com](mailto:field_events@merz.com).

Customer will cooperate fully with Merz in dealing with end customer technical complaints concerning the Products and will take such action to resolve such complaints as deemed necessary or appropriate by Customer or as may be otherwise reasonably requested by Merz. Customer agrees to report to Merz any technical complaint regarding a Product of which Customer becomes aware within 24 hours of becoming aware (or promptly, in the case of Neocutis Products). Customer agrees to assist Merz to facilitate the resolution of such complaints. For purposes of this Agreement, a technical complaint can be the: (i) receipt of any Product(s) quality claims, medical claims, or complaints or other written claims or complaints; or (ii) receipt of any written communication from any applicable regulatory agency pertaining to a Product. **To report a Product-related technical complaint, contact Merz as per below:**

- Phone: 844-4MY-MERZ (844-469-6379) or 866-862-1211

- Email: [complaints2@merz.com](mailto:complaints2@merz.com); for Ulthera Products: [devicehelp@merz.com](mailto:devicehelp@merz.com).

**12. Traceability:** Customer will create and maintain accurate records of all activities and events related to the Products to the extent necessary to ensure product traceability. The records will be constructed in such a manner that all significant activities or events will be traceable for a period of not less than 15 years past the date of manufacture. Such records must be clear, readily available, and include the following: (i) each order received and accepted; (ii) the serial or lot number and expiration date of the Product(s) and the address where Product(s) are delivered; (iii) the method of identifying the invoice issued to an end customer; and (iv) each end customer credit issued and the reason therefor.

**13. Protected Health Information:** Customer shall not disclose any Protected Health Information to Merz. Prior to Merz regaining possession of Customer's Ulthera System, if applicable, whether by event of default, for repair or servicing, or otherwise, Customer shall purge and/or remove any and all Protected Health Information from the equipment and ensure that the transfer of the equipment back to Merz does not result in a Disclosure of any Protected Health Information. "Protected Health Information" and "Disclosure" have the meanings set forth in 45 C.F.R. § 160.103.

**14. Debarment:** Customer represents and warrants to Merz that neither it nor any of its personnel: (i) is under investigation by the FDA for debarment action or is presently debarred pursuant to the Generic Drug Enforcement Act of 1992, as amended (21 U.S.C. §301 et seq.), or (ii) has a disqualification hearing pending or has been disqualified by the FDA pursuant to 21 C.F.R. §312.70 or its successor provisions. In addition, Customer represents and warrants to Merz that it has not engaged in any conduct or activity which could lead to any such disqualification or debarment actions. Customer further

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represents and warrants to Merz that, within five years preceding the effective date of this Agreement, neither Customer nor any person employed by Customer has been convicted of any offense required to be listed under Section 306(k)(2) of the Federal Food, Drug and Cosmetic Act.

**15. Anti-Kickback Statute:** It is the intent of Customer and Merz to comply with the Anti-Kickback Statute (42 U.S.C. §1320a-7b(b)) and the Discount Safe Harbor and Warranties Safe Harbor regulations set forth in 42 C.F.R. 1001.952(h) and (g), respectively. Customer's price may constitute a 'discount or other reduction in price' under the Anti-Kickback Statute. Merz will provide Customer with invoices that fully and accurately disclose the discounted price of all Products purchased under this Agreement to allow Customer to comply with this Section and the Discount Safe Harbor regulations, including sufficient information to enable it to accurately report its actual cost for all purchases of Products. Customer represents, warrants, and covenants that it will not make any claim for reimbursement to any government or private third-party payer for the Products or any administration of such Products to Customer's patients. Customer acknowledges, however, that, if applicable, it will fully and accurately report all discounts or other price reductions, including warranty items, in the costs claimed or charges made under any Federal or State healthcare program and provide information upon request to third-party reimbursement programs. Customer will be solely responsible for determining whether any savings or discount or warranty item it receives must be reported or passed on to payors.

**16. Foreign Corrupt Practices Act:** Customer will comply with all applicable anti-corruption, anti-bribery, and anti-kickback laws, rules, and regulations, including, without limitation, the United States Foreign Corrupt Practices Act (15 U.S.C. §78dd-1, et seq.) and other laws, rules, and regulations applicable to where Customer conducts business.

**17. Disclaimer: Limitation of Liabilities:** EXCEPT AS EXPRESSLY SET FORTH HEREIN, THE PRODUCTS ARE PROVIDED TO CUSTOMER "AS IS", WITHOUT ANY WARRANTIES OF ANY KIND. MERZ EXPRESSLY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND NONINFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS. MERZ SHALL HAVE NO LIABILITY TO CUSTOMER, ITS AFFILIATES, OR ITS END CUSTOMERS, OR TO ANY OTHER THIRD PARTY, FOR ANY DAMAGES, INCLUDING DAMAGES RESULTING OR ALLEGED TO RESULT FROM ANY DEFECT, ERROR, OR OMISSION IN THE PRODUCTS, OR AS A RESULT OF ANY INFRINGEMENT OF ANY INTELLECTUAL PROPERTY RIGHT OF ANY THIRD PARTY. UNDER NO CIRCUMSTANCES WILL MERZ HAVE ANY LIABILITY TO CUSTOMER FOR, AND CUSTOMER HEREBY EXPRESSLY WAIVES, ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, OR PUNITIVE DAMAGES OF ANY DESCRIPTION, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, WHETHER ARISING OUT OF WARRANTY OR CONTRACT, NEGLIGENCE OR OTHER TORT, OR OTHERWISE, INCLUDING, WITHOUT LIMITATION, FORESEEABLE BUSINESS LOSSES, LOSS OF PROFITS, AND RELIANCE DAMAGES. CUSTOMER AGREES THAT UNDER NO CIRCUMSTANCES WILL MERZ'S LIABILITY UNDER THIS AGREEMENT FOR ANY CAUSE EXCEED THE PURCHASE PRICE PAID BY CUSTOMER FOR THE PARTICULAR PRODUCT(S) INVOLVED. NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, THE REMEDIES SET FORTH IN THIS AGREEMENT WILL APPLY EVEN IF SUCH REMEDIES FAIL THEIR ESSENTIAL PURPOSE.

**18. Indemnity:** To the fullest extent permitted by law, Customer agrees to indemnify, defend, and hold harmless Merz, including Merz's affiliates and their officers, directors, agents, employees, successors, and assigns, from and against any claim, demand, cause of action, debt, liability, loss, fine, damage, or expense (including reasonable attorneys' or legal fees, expenses, and court costs) (collectively, "Liabilities") that relate to: (i) Customer's modification of or addition to any Product(s); (ii) Customer's breach of this Agreement; (iii) Customer's gross negligence or willful misconduct; or (iv) Customer's failure to abide by all applicable laws, rules, regulations, and orders that affect the Products.

**19. Essential Basis of the Bargain:** Customer acknowledges that Merz has set its Product prices and entered into the Agreement in reliance upon the limitations and exclusions of liability, the disclaimers of warranties, and Customer's indemnity obligations set forth herein, that the same form an essential basis of the bargain between the Parties, and THAT THE CONSIDERATION WOULD BE HIGHER IF MERZ WERE REQUIRED TO BEAR LIABILITY IN EXCESS OF THAT STATED HEREIN.

**20. Financing and Assignment:** This Agreement binds Customer, regardless of any financing arrangements, subrogations or assumptions. Customer acknowledges that Merz has a contractual relationship with Ascentium Capital LLC, wherein Ascentium has

agreed that it may offer financing to Product customers if they meet certain financial criteria. Customer further acknowledges that Merz is not a party to any resulting financing agreements which Customer may enter with Ascentium or any other third-party financing company.

Customer may not assign its rights or delegate its obligations hereunder except with the prior written consent of Merz (which consent may be withheld in its sole discretion). Merz may subcontract the performance of any obligation of Merz under the Agreement, and Merz may assign any right or obligation under the Agreement, to an affiliated party of Merz.

**21. Independent Contractors:** No provision of this Agreement will be deemed to create a partnership, joint venture, or other combination between Merz and Customer. Customer and Merz are independent contractors. Neither Party will make any warranties or representations or assume any obligations on the other Party's behalf. Neither Party is or will claim to be a legal representative, partner, agent, or employee of the other Party. Each Party is responsible for the direction and compensation, and is liable for the actions of, its employees and subcontractors.

**22. Amendments:** The Agreement may not be amended, altered or modified except in writing by an authorized signatory of Merz. No other purported additions, amendments, alterations or modifications by Customer or any other person, whether oral or written, shall be binding on Merz, regardless of Merz's failure to object or Merz's shipment of Products. In the event of a conflict between these terms and conditions and any other part of this Agreement, these terms and conditions shall govern.

**23. Governing Law and Venue:** This Agreement and all disputes and matters relating hereto shall be construed in accordance with the laws of the State of North Carolina, USA without giving effect to its conflicts of laws rules. Customer hereby consents to the jurisdiction and venue of any North Carolina state or federal courts, and hereby waives any objections based on inconvenient forum or conflicts of laws principles. The provisions of this Agreement are divisible and the invalidity or unenforceability of any provision or provisions contained herein shall not in any way affect the validity of this Agreement without the invalid or unenforceable provision or provision.

**24. Severability:** If any provision of this Agreement shall be determined to be illegal or unenforceable by any court of law in any jurisdiction, the remaining provisions hereof and thereof shall be severable and enforceable in accordance with their terms, and all provisions shall remain enforceable in any other jurisdiction.

**25. Survival:** Article 1; the provisions relating to Merz's rights in and title to the System set forth in Article 2(C); Article 2(D); Article 2(E); Articles 4 through 6; Articles 8(A) and 8(B) in accordance with the time periods set forth therein; Article 8(C); the second paragraph of Article 9; Articles 11 through 26; and all defined terms in this Agreement shall survive any expiration or early termination of this Agreement.

**26. Entire Agreement:** Customer and Merz acknowledge that there have been no warranties, representations, covenants or understandings made by either Party to the other, except such as are expressly set forth in the Agreement. **Without limiting the foregoing, Customer acknowledges and agrees on behalf of him/herself individually and on behalf of the Customer entity, that, in entering into this Agreement and this transaction: (1) it has relied solely on the terms and conditions of this Agreement; and (2) it has not relied on any oral or written statements by Merz sales representatives, other Merz personnel, or third parties (including, but not limited to, third-party financing companies), or on any statements included in any of Merz's written or electronic promotional materials (including its web sites). In particular, Customer acknowledges that Merz makes no representations or warranties regarding Customer's authority to administer the Products in the state(s) in which Customer operates; on the contrary, Merz is relying on Customer's representation that Customer is properly licensed and authorized to administer the Products. This Agreement constitutes the entire understanding and obligation of Customer and Merz with respect to the subject matter of this Agreement and supersedes any prior agreements or understandings, whether oral or written.**