

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 15, 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, 19044  
Pennsylvania  
(Address of Principal Executive Offices) (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 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

May 15, 2018 Matthew Hill began employment as the Company's Chief Financial Officer. Immediately prior to joining the Company, Mr. Hill was the Chief Financial Officer of SS White Burs, Inc., a privately held medical device manufacturer, where he had worked from 2010. In addition to his experience at SS White Burs, Inc. Mr. Hill has over 20 years of experience in various capacities in public and private companies, and in public accounting with Grant Thornton LLP. Mr. Hill graduated with a B.S. in accounting from Lehigh University in 1991.

The Company and Mr. Hill executed an employment agreement dated May 15, 2018 in connection with the appointment to the Chief Financial Officer position. Under the terms of the agreement, Mr. Hill will receive a base salary of \$240,000 and will be eligible to receive an annual bonus based on the Company achieving certain goals. The target bonus amount for fiscal year 2018 is \$65,000, and the target bonus is to be re-set annually. Mr. Hill is also to be paid a car allowance of \$400. per month. In the event Mr. Hill's employment is terminated, in conjunction with a change of control, he will be entitled to severance equal to 12 months of his base salary, payable subject to execution of a general release in favor of the Company. Pursuant to the employment agreement, at the first meeting of the Board of Directors occurring after the closing of the Accelmed led investment, he is to be awarded 250,000 stock options at the fair market value as of that date. The agreement also contains non-compete and non-solicitation periods.

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

10.1 Employment Agreement Between the Company and Matthew Hill Effective as of May 15, 2018

Exhibit Index

*Exhibits.*

<b>Exhibit No.</b>	<b>Description</b>
10.1	Employment Agreement Between the Company and Matthew Hill Effective as of May 15, 2018

**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**  
**Interim Chief Executive Officer**

Date: May 15, 2018

---

---

**EMPLOYMENT AGREEMENT**

EMPLOYMENT AGREEMENT, dated as of May 15, 2018 (this "Agreement"), by and between Strata Skin Sciences, Inc. (the "Company"), a Delaware corporation, and Matthew Hill ("Employee"), an individual.

WITNESSETH:

WHEREAS, the Company desires to employ Employee, and Employee wishes to be employed by the Company, on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, the parties hereby agree as follows:

**1. Term.** The term of Employee's employment hereunder shall commence on May 15, 2018 (the "Effective Date") and end when terminated in accordance with Section 5 hereof (the "Term").

**2. Duties and Services.** Employee agrees to serve the Company as its Chief Financial Officer, reporting to the Chief Executive Officer of the Company (the "CEO"). Employee shall have the normal duties, responsibilities, functions and authority as provided in the Company's bylaws and as customarily exercised by the chief financial officer of a company of similar size and nature as the Company, subject to the power and authority of the CEO and/or the Company's Board of Directors (the "Board"). Employee agrees to devote his full and entire business time, attention, skill and efforts to perform services for the Company and to faithfully and diligently discharge and fulfill his duties hereunder to the best of his abilities and shall be engaged in other business activities only to the extent that such other activities do not materially interfere or conflict with his obligations to the Company hereunder. In no event shall Employee's other business activities violate his obligations under Section 7 below. The foregoing also shall not be construed as preventing Employee from (a) with the prior consent of the Board, serving on civic, educational, philanthropic or charitable boards or committees, and (b) managing personal investments, so long as such activities are permitted under the Company's Code of Conduct and employment policies. Employee shall perform his duties hereunder at the Company's principal offices, currently located in Horsham, Pennsylvania, with travel to such other places and at such times as the needs of the Company may from time-to-time dictate or be desirable.

**3. Compensation.**

3.1 During the Term, the Company agrees to pay or cause to be paid to Employee, and Employee agrees to accept, a salary for all of Employee's services at the rate of Two Hundred and Forty Thousand Dollars (\$240,000.00) per annum (the "Base Salary"), payable in accordance with the Company's payroll practices and policies in effect from time to time and subject to applicable withholding of income taxes, social security taxes and such other payroll deductions as are required by law or applicable employee benefit programs.

3.2. Bonus Program.

3.2.1 The Employee shall be entitled to an annual bonus (the "Bonus") based upon the performance of the Company's business during the relevant quarters of each fiscal year ("FY") and other goals to be determined by the Compensation Committee of the Board (the "Compensation Committee"). The target bonus for FY 18 is \$65,000. The target bonus shall be reset annually with each FY, and if not reset shall remain as set forth herein. Sixty (60%) percent of the target bonus shall be based on the targets set forth below and 40% shall be based upon goals to be set annually by the Compensation Committee.

Said 60% of the Bonus shall be determined and paid as follows pursuant to sections 3.2.2 and 3.2.3:

3.2.2 No Bonus shall be earned in a FY unless the following adjusted EBITDA as presented by the company in quarterly earning calls or any other SEC disclosures (the "Adjusted EBITDA") targets are achieved during such FY:

(i) for each of FY 2018 and 2019 -- a positive Adjusted EBITDA;

(ii) for FY 2020 -- \$5 million Adjusted EBITDA; and

(iii) for FY 2021 -- \$10 million Adjusted EBITDA.

3.2.3 Bonus for any FY shall be deemed earned upon the achievement of the relevant Adjusted EBITDA target in each quarter of the FY. The Bonus amount (if the relevant Adjusted EBITDA target is achieved) will be deemed earned quarterly but paid annually, and calculated separately for each quarter during the relevant FY. The Bonus amount is a percentage of the aggregate collected revenue during the relevant quarter (a "Bonus Quarter") from all installed laser machines (pro-rated for machines installed during a quarter), and the percentage is determined based on the following schedule (based on the Company's audited financial statements):

Average Revenue per Machine ("ARM") during the Quarter and Bonus Percentage (based on 60% of the targeted bonus

Up to \$8,100 15%

\$8,101-\$9,600 25%

\$9,601-\$11,000 40%

Above \$11,001 20%

3.3. Options; Employee shall be awarded options under the Company's 2016 Omnibus Incentive Plan (the "Plan") as follows:

250,000 options shall be granted at the fair market value of the Effective Date.

Vesting: The Option shall vest and may be exercised in accordance with the following vesting schedule:

Option Shares shall vest in two installments of 83,333 shares each on May 15, 2019 and May 15, 2020; and one installment of 83,334 shares on May 15, 2021, The options shall be awarded under the terms of the Company's Stock Option Agreement, whose terms shall govern.

#### **4 Employee Benefits; Vacation; Expenses.** During the Term:

(a) Employee shall be entitled to participate, in accordance with the terms and conditions thereof, in any standard group benefit plans maintained generally for senior level employees of the Company, as the same may be in effect or amended from time to time. The foregoing, however, shall not be construed to require the Company to establish any such plans, or to prevent the Company from modifying or terminating any such plans once established.

---

(b) Employee shall be entitled to vacation at the rate of four (4) weeks per year, taken consecutively or in segments, subject to the effective discharge of Employee's duties and responsibilities hereunder. Vacation time will accrue on a monthly basis during any such year, and any accrued vacation time not taken during the year in which it accrued shall not have a cash value and may be rolled over to the following or any subsequent year only to the extent permitted and in accordance with then-current Company policy.

(c) The Company shall reimburse Employee for the reasonable and necessary out-of-pocket business expenses incurred by Employee for or on behalf of the Company in furtherance of the performance of Employee's duties hereunder in accordance with the Company's policies as approved by the Board from time to time, subject in all cases to the Company's requirements with respect to reporting and documentation of such expenses.

(d) During the Term, the Company shall reimburse Employee's actual cost of daily travel from home to office.

## 5. Termination.

(a) Notwithstanding anything to the contrary contained herein, Employee's employment under this Agreement, as well as Employee's right to any Base Salary, Cash Bonus and/or other benefits that thereafter otherwise would accrue to Employee hereunder, shall terminate upon the earliest to occur of the following events:

(i) The death of Employee;

(ii) The disability (as hereinafter defined) of Employee;

(iii) In the event of Employee's voluntary decision to terminate his employment with the Company, upon the date set forth therefor in a written notice of such termination received by the Company from or on behalf of Employee; provided that the termination date shall not be sooner than two weeks following the Company's receipt of such notice;

(iv) Upon written notice of such termination to Employee from or on behalf of the Company or the Board (or at such later date specified therein) if: (A) there shall be "Cause" (as hereinafter defined) or (B) Employee shall have advised the Company or the Board of Employee's intention to terminate his employment with the Company;

(v) Upon a Change of Control (as defined in Section 5(d)) of the Company unless the new controlling person or entity of the Company's business and/or assets determines otherwise; or

(vi) Upon written notice of such termination to Employee from or on behalf of the Company or the Board, other than under a circumstance covered by, or when facts exist that would comprise, any of clauses (i), (ii), (iii), (iv) or (v) of this Section 5(a).

(b) Employee shall be deemed to be under a "disability" for purposes hereof, at the option of the Company by written notice to Employee, (i) if Employee and the Board agree that Employee is disabled, or (ii) in the event that Employee shall be unable to or shall fail to render and perform the services required of Employee under this Agreement for 30 consecutive days or an aggregate of 60 days in any consecutive 12-month period because of physical or mental incapacity or disability, such option to be exercisable by the Company.

(c) For purposes of this Agreement, the term "Cause" is defined as: (i) the conviction of Employee for (or Employee's plea of *nolo contendere* to) a felony or a crime involving moral turpitude; (ii) Employee's material violation of any written Company policy or the material terms of this Agreement after written notice of such failure and failure to cure within ten (10) days; (iii) Employee's failure to follow a lawful direction of the Board after written notice of such failure and failure to cure within ten (10) days; (iv) a breach by

---

Employee of a fiduciary responsibility owing to the Company or any of its affiliates; (v) Employee's failure to perform such duties as are reasonably delegated or assigned to Employee after written notice of such failure and failure to cure within ten (10) days; (vi) drug or alcohol abuse by Employee, but in the first instance of such drug or alcohol abuse, only if the Employee fails to seek appropriate counseling or fails to complete a prescribed counseling program to the satisfaction of the Board; and (vii) a breach by Employee of Section 7 of this Agreement or any other obligation relating to non-competition, non-solicitation of employees, customers, licensees or licensors, confidentiality, or ownership and/or rights as to creations and/or proprietary information or property, under any written agreement in effect from time to time, in favor of the Company.

(d) For purposes of this Agreement, the term "Change of Control" is defined as: (i) any "person," as such term is used in sections 13(d) and 14(d) of Securities Exchange Act of 1934, as amended (the "Exchange Act"), becomes the beneficial owner (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 50% or more of the total voting power represented by the Company's then outstanding voting securities; provided, however, that no Change of Control shall be deemed to occur by reason of the acquisition of securities of the Company by one or more investors in the Company in capital-raising transactions; (ii) the direct or indirect sale or exchange by the stockholders of the Company of all or substantially all of the outstanding capital stock of the Company; (iii) a merger or consolidation in which the Company is a party and in which the stockholders of the Company before such Change of Control do not retain, directly or indirectly, at least a majority of the beneficial interest in the voting stock of the Company after such transaction; or (iv) an agreement for the sale or disposition by the Company of all or substantially all the Company's assets.

(e) Severance; Release.

(i) In the event of, and only upon, the termination of the employment of Employee under this Agreement pursuant to (A) Section 5(a)(v) if Employee has not been offered post-Change of Control employment by the Company or any successor entity, or if Employee is offered post-Change of Control employment by the Company or any successor entity, the position offered to Employee would result in a material reduction in Employee's duties, authority or responsibilities as in effect immediately prior to such Change of Control, or (B) Section 5(a)(vi), then the Company shall: (x) pay Employee his Base Salary and the amount of any Cash Bonus earned hereunder but unpaid through the date of such termination, and (y) (I) pay Employee severance in an amount equal to Employee's then current Base Salary for twelve (12) months payable in equal installments, less applicable taxes and withholdings, pursuant to the Company's normal payroll procedures over twelve (12) months as provided herein, and (II) provided Employee timely elects, and remains eligible for, continued group health plan benefits to the extent authorized by and consistent with 29 U.S.C. § 1161 et seq. (commonly known as "COBRA"), reimburse Employee, on a monthly basis upon presentation of proof of payment by Employee, for COBRA premiums in an amount such that Employee's net cost (after tax) for continued health insurance coverage is the same as Employee's cost for such benefits as in effect on the date of termination and such reimbursement shall continue until the earlier of: (a) the date that is twelve (12) months after the date of termination, and (b) the date Employee becomes eligible for health benefits through another employer or otherwise becomes ineligible for COBRA (the payments and benefits in this Section 5(e)(i) hereinafter collectively are referred to as the "Termination Benefits").

(ii) Any severance payments due under Section 5(e)(i) shall commence as soon as administratively feasible within sixty (60) days after Employee's termination of employment provided Employee has timely executed and returned the Release referred to in Section 5(e)(iv) and, if a revocation period is applicable, Employee has not revoked the Release; provided, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, the severance payments shall begin to be paid in the second calendar year. On the date that severance payments commence, the Company will pay Employee in a single lump sum payment, less applicable taxes and withholding, the severance payments that Employee would have received on or prior to such date but for the delay imposed by the immediately preceding sentence, with the balance of the severance payments to be paid as originally scheduled. Solely for purposes of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), each installment payment is considered a separate payment. To the full extent permitted by Code section 409A, it is intended that any severance amount shall be exempt from the requirements of Code section 409A by reason of either (1) the exemption set forth in Treas. Regs. 1.409A-1(b)(9)(iii) or (2) the short-term deferral rule under Treas. Regs. 1.409A-1(b)(4).

---

(iii) In the event that Employee's employment terminates under any circumstance other than as described in Section 5(e)

(i), then the Company shall not be obligated to provide any Termination Benefits to Employee or to provide any other severance, termination or similar payments or compensation or benefits, regardless of any general or other policy, plan or practice as to severance or employment termination in effect from time to time, other than Base Salary and any Cash Bonus earned but unpaid through the date of such termination.

(iv) Notwithstanding anything to the contrary set forth herein, the obligation to pay any Termination Benefits is expressly

conditioned upon: (A) the execution by Employee and delivery to the Company of, and the effectiveness (after the expiration of any and all revocation and cancellation periods and rights) of, a separation agreement and general release from Employee in such form as shall be required by the Company (the "Release"); (B) Employee's return of all Company property to the Company; and (C) Employee's resignation from all positions with the Company and any affiliated company. In no event shall any Termination Benefits be payable unless and until the Release becomes effective and all statutory rights to rescind, revoke or terminate the same have expired unexercised.

(v) Any Termination Benefits paid hereunder shall be in lieu of any other claim by Employee for compensation whether

under this Agreement, or under any wage continuation law or at common law or otherwise, or any and all claims to severance or similar payments or benefits which Employee may otherwise have or make, except that Employee may still seek unemployment insurance. Without limiting any other rights or remedies which the Company may have, the Company shall be under no obligation to pay any Termination Benefits, and Employee shall immediately reimburse the Company in full for any and all Termination Benefits paid to Employee hereunder, if Employee violates any of the provisions of Section 7.

(f) Parachute Provisions. Payments under this Agreement shall be made without regard to whether the deductibility of such

payments (or any other payments) would be limited or precluded by Section 280G of the Code, and without regard to whether such payments would subject Employee to the federal excise tax levied on certain "excess parachute payments" under Section 4999 of the Code; provided, however, that if the Total After-Tax Payments (as defined below) would be increased by the limitation or elimination of any amount payable under this Agreement, then the amount payable under this Agreement will be reduced to the extent necessary to maximize the Total After-Tax Payments. The determination of whether and to what extent payments under this Agreement are required to be reduced in accordance with the preceding sentence will be made by the Company's independent auditors. In the event of any underpayment or overpayment under this Agreement (as determined after the application of this Section 5(f)), the amount of such underpayment or overpayment will be immediately paid by the Company to Employee or refunded by Employee to the Company, as the case may be, with interest at the applicable federal rate provided for in Section 7872(f)(2) of the Code. For purposes of this Agreement, "Total After-Tax Payments" means the total of all "parachute payments" (as that term is defined in Section 280G(b)(2) of the Code) made to or for the benefit of Employee (whether made hereunder or otherwise), after reduction for all applicable federal taxes (including, without limitation, the tax described in Section 4999 of the Code).

**6. Deductions and Withholding.** Employee agrees that the Company shall be entitled to withhold from any and all payments required to be made to Employee pursuant to this Agreement all federal, state, local and/or other taxes which it determines are required to be withheld in accordance with applicable statutes and/or regulations from time to time in effect.

## **7. Restrictive Covenants.**

(a) For and in consideration of the Company's employment of Employee as set forth in this Agreement, including, but not limited

to, the compensation and benefits provided to Employee pursuant to Sections 3 and 4, the adequacy and sufficiency of which are hereby irrevocably acknowledged by Employee, Employee agrees that Employee shall not, and shall not permit any person or entity directly or indirectly controlled by Employee (alone or together with others) (the "Employee Affiliates") to, directly or indirectly (including, without limitation, through ownership, management, operation or control of any other person or entity, or participation in the ownership, management, operation or control of any other person or entity, or by having any interest, as a stockholder, lender, investor, agent, consultant, employee, partner or otherwise, in or with respect to any other person or entity) do any of the following:

---



(i) during the period of Employee's employment with the Company and for twelve (12) months following the date of termination of Employee's employment for any reason (the "Restricted Period"), Employee will not own, manage, operate, control, invest in, participate in, provide consulting services to, or be involved or associated with in any capacity, any person or entity that competes directly or indirectly with the business conducted by the Company or proposed to be conducted by the Company during the time Employee was employed by the Company or during the Restricted Period, within the geographical areas in which the Company is doing business or proposes to do business at the time of Employee's termination of employment; provided that the foregoing shall not prohibit Employee and Employee Affiliates from owning in the aggregate less than one percent of any class of securities listed on a national securities exchange or traded publicly in the over-the-counter market; Employee acknowledges that the Company conducts business on a nationwide and international basis, that its sales and marketing prospects are for expansion into national and international markets not currently penetrated and that, therefore, the territorial and time limitations set forth in this Section are reasonable and properly required for the adequate protection of the business of the Company;

(ii) during the Restricted Period: (A) solicit, encourage or entice any client, customer, vendor, licensee, licensor, consultant or supplier of or to the Company to cease to do business with, or to reduce or modify the business such person or entity has done with or intends to do with, or to end, reduce or modify any relationship or proposed relationship of such person or entity with, the Company, or (B) interfere with, disrupt or attempt to disrupt or otherwise jeopardize any relationship of the Company with any client, customer, vendor, licensee, licensor, consultant or supplier or any other person or entity with whom the Company has a business relationship;

(iii) during the Restricted Period, encourage, entice or induce any person who at the time of Employee's termination of employment or at any time during the eighteen (18) month period immediately preceding such termination is or was an employee of, or a consultant to, the Company to leave the employ of, or to terminate any such consulting arrangement with the Company, or, with respect to any such employee or consultant who is then an employee of or consultant to the Company, to become an employee of, or consultant to, any other person or entity, or employ or retain any such person; or

(iv) during the Restricted Period and at all times thereafter, disparage, criticize or make statements which may be perceived as negative, detrimental or injurious to the Company, or any of the management, owners, business, policies or practices of the Company.

(b) Employee acknowledges and agrees that Employee's employment by the Company necessarily will involve Employee's understanding of and access to trade secrets and confidential or proprietary information and property, and personal information pertaining to the business and affairs of the Company, and its licensors, clients, customers, licensees, consultants and suppliers of or to any of them, including, without limitation, data, databases, know-how, trade secrets, marketing plans and opportunities, cost and pricing information, strategies, forecasts, licensee and customer lists, reports and surveys, concepts and ideas, computer software, systems and programs (including source code and documentation), and techniques and technical information, whether acquired by, or provided or made available to, Employee before, on or after the date of this Agreement by reason of Employee being or having been an employee of the Company and Employee agrees to keep all such information confidential. Employee and the Company have entered into that certain Employee Confidentiality and Invention Agreement dated as of the date hereof (the "Confidentiality Agreement") and attached hereto as Exhibit A, the terms and conditions of which are incorporated by reference herein and made a part hereof. The terms and provisions of this Agreement shall control and govern in respect of any conflict between the terms of this Agreement and the Confidentiality Agreement.

(c) Employee represents that his employment with the Company will not violate or conflict with any obligations to any previous employer or other party, including without limitation, obligations relating to nondisclosure, proprietary information, non-competition and non-solicitation.

(d) Because irreparable harm would be sustained by the Company in the event that there is a breach by Employee of any of the terms, covenants and agreements set forth in this Section 7, in addition to any other rights and remedies that the Company may otherwise have, the Company shall be entitled to obtain specific performance and/or injunctive relief against Employee from any court of competent jurisdiction, without making a showing that monetary damages would be inadequate and without the requirement of posting any bond or other security whatsoever, in order to enforce or prevent any breach or threatened breach of any of the terms, covenants and agreements set forth in this Section 7.

---

(e) Each of the obligations of Employee under this Section 7 shall survive the termination of Employee's employment by the Company for any reason whatsoever.

(f) Employee acknowledges that: (i) the enforcement of any of the restrictions on Employee or any other provisions contained in this Section 7 (the "Restrictive Covenants") against Employee would not impose any undue burden upon Employee; and (ii) none of the Restrictive Covenants are unreasonable as to duration or scope. If notwithstanding the foregoing, any provision of this Agreement would be held to be invalid, prohibited or unenforceable in any jurisdiction for any reason (including, without limitation, any provision which may be held unenforceable because of the scope, duration or area of its applicability), unless narrowed by construction, such provision shall, as to such jurisdiction, be construed as if such invalid, prohibited or unenforceable provision had been more narrowly drawn so as not to be invalid, prohibited or unenforceable (and the court making any such determination as to any provision shall have the power to, and shall, modify such scope, duration or area or all of them, and such provision shall then be applicable in such modified form in such jurisdiction only). If, notwithstanding the foregoing, any provision of this Agreement would be held to be invalid, prohibited or unenforceable in any jurisdiction for any reason, such provision, as to such jurisdiction, shall be ineffective only to the extent of such invalidity, prohibition or unenforceability, without invalidating the remaining provisions of this Agreement, or affecting the validity or enforceability of such provision in any other jurisdiction.

(g) In the event that Employee's employment with the Company is terminated for any reason and Employee thereafter obtains employment or engagement by another person or entity (a "Subsequent Employer"), Employee agrees to advise such Subsequent Employer of Employee's continuing obligations under this Agreement.

(h) The Restricted Period and any additional periods thereafter under this Section 7 shall be tolled and shall cease to run during the period of any violation by Employee of any of the Restrictive Covenants.

**8. No Conflicts.** Employee represents and warrants that Employee is not party to any agreement, contract or understanding, whether of employment, consultancy or otherwise, in conflict with this Agreement or which would in any way restrict or prohibit Employee from undertaking or performing services for the Company. Employee hereby acknowledges that Employee has not foregone any other opportunity, financial or otherwise, in connection with Employee's execution and delivery of this Agreement or Employee's rendering of services to the Company.

**9. Notices.** All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given and effective: (a) on the date of delivery, if delivered personally; (b) on the first business day following the date of dispatch if delivered by a recognized next-day courier service; (c) on the earlier of the fourth (4th) day after mailing or the date of the return receipt acknowledgment, if mailed, by certified or registered mail, return receipt requested, postage and fees prepaid; or (d) on the date of transmission (subject to written confirmation of receipt), if sent by facsimile or e-mail to the other party hereto. Any such notice, if to Employee, shall be sent to Employee's address set forth on the signature page hereto or Employee's principal residence address then known to the Company, and, if to the Company, shall be sent to the Chief Executive Officer and to the Chairman of the Board. Either party may change the address to which notices, requests, demands and other communications hereunder shall be sent by sending written notice of such change of address to the other party in the manner hereinabove provided.

**10. Assignability and Binding Effect.** This Agreement shall inure to the benefit of and shall be binding upon the heirs, executors, administrators, successors and legal representatives of Employee, and shall inure to the benefit of and be binding upon the Company and its successors and assigns, but the obligations of Employee may not be delegated or assigned. Employee shall not be entitled to assign, transfer, pledge, encumber, hypothecate or otherwise dispose of this Agreement, or any of his rights or obligations hereunder, and any such attempted delegation or disposition shall be null and void and without effect. It is hereby acknowledged and agreed that the Company shall have the right to assign all or any part of its rights in respect of the covenants and agreements set forth in Section 7 of this Agreement to one or more direct or indirect acquirors of any of the assets or business of, or control of, the Company, and that this Agreement and all of the Company's rights and obligations hereunder may be assigned or transferred by the Company to and in such event may be assumed by any assignee of or successor to the Company.

---

**11. Waiver and Compliance; Consents.** Except as otherwise provided in this Agreement, any failure of either party to this Agreement to comply with any obligation, covenant, agreement or condition herein may be waived by the other party hereto only by written instrument signed by the party granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure. Whenever this Agreement requires or permits consent by or on behalf of a party, such consent shall be given in writing in a manner consistent with the requirements for a waiver of compliance as set forth in this Section 11.

**12. Entire Agreement; Amendments.** This Agreement and the Confidentiality Agreement referenced herein sets forth the entire agreement and understanding of the parties hereto relating to the subject matter hereof, and is expressly intended to supersede any and all prior agreements, arrangements and understandings, written or oral, relating to the subject matter hereof. With respect to the subject matter hereof, no representation, promise or inducement has been made by either party that is not embodied in this Agreement, and neither party shall be bound by or liable for any alleged representation, promise or inducement not so set forth. This Agreement shall not be altered, modified, amended or terminated except by written instrument signed by each of the parties hereto.

**13. Headings, Construction, Interpretation.** The captions and section headings contained in this Agreement are for convenience of reference only, do not form a part of this Agreement and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed followed by the words "without limitation." When used in this Agreement, words such as "herein", "hereinafter", "hereof", "hereto", and "hereunder" shall refer to this Agreement as a whole, unless the context clearly requires otherwise. The use of the words "either" and "any" shall not be exclusive.

**14. Code Section 409A.** This Agreement shall be interpreted and administered to the extent practicable in a manner consistent with the following statement of intent: All benefits and compensation payable to Employee pursuant to this Agreement are intended to be exempt from the definition of "nonqualified deferred compensation plan" or "deferral of compensation" under Code Section 409A in accordance with one or more exemptions available under the Treasury Regulations promulgated under Code Section 409A. To the extent that any benefit or payment is or becomes subject to Code Section 409A, this Agreement is intended to comply with the requirements of Code Section 409A as applicable to such benefit or payment.

**15. Governing Law; Venue.** This Agreement and the legal relations among the parties shall be governed by the internal laws of the Commonwealth of Pennsylvania, without regard to principles of conflict of laws. Any litigation arising in connection with or related to this Agreement or any of the subject hereof shall be tried solely by and in the United States District Court for the Eastern District of Pennsylvania, provided that, if such litigation shall not be permitted to be tried by such court, then such litigation shall be held solely in the state courts of Pennsylvania sitting in Montgomery County. Each party hereto irrevocably consents to and confers personal jurisdiction on the United States District Court for the Eastern District of Pennsylvania, or, if (but only if) the litigation in question shall not be permitted to be tried by such court, or the state courts of Pennsylvania sitting in Montgomery County, and expressly waives any objection to the venue of such court, as the case may be and any argument that any case filed should be transferred to a more convenient forum.

**16. Mutual Waiver of Jury Trial.** EACH PARTY HERETO HEREBY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATING TO THIS AGREEMENT, OR THE EMPLOYMENT OF EMPLOYEE, WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE. EACH PARTY HERETO AGREES THAT EITHER OF THEM MAY FILE A COPY OF THIS AGREEMENT UNDER SEAL WITH THE COURT AS WRITTEN EVIDENCE OF THE KNOWING, VOLUNTARY, AND BARGAINED AGREEMENT BETWEEN THE PARTIES IRREVOCABLY TO WAIVE TRIAL BY JURY, AND THAT ANY DISPUTE OR CONTROVERSY WHATSOEVER BETWEEN THEM SHALL INSTEAD BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY.

**17. Knowing and Voluntary Agreement.** The parties to this Agreement acknowledge and agree that each of them has had a full and fair opportunity to carefully read and review the terms and provisions of this Agreement and consult with their own attorney concerning the meaning and effect of this Agreement. By executing this Agreement, each of the parties hereto represents, acknowledges, and agrees that such party fully understands his or its right to discuss all aspects of this Agreement with his or its own attorney, that to the extent he or it wanted to

---

talk to his or its attorney he or it has availed himself or itself of that right, that he or it has carefully read and fully understands all the provisions of this Agreement, and that he or it is knowingly and voluntarily entering into this Agreement and signing it of his or its own free will.

**18. Interpretation.** In the event any ambiguity or question of intent or interpretation arises, this Agreement shall be construed as drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring either party by virtue of the authorship of any of the provisions of this Agreement. No provision of this Agreement shall be construed against either party on the grounds that such party or its counsel drafted that provision.

**19. Counterparts; Signatures.** This Agreement may be executed in any number of counterparts with the same effect as if all parties hereto had signed the same document. All counterparts shall be construed together and shall constitute one Agreement. This Agreement and any amendments hereto, to the extent signed and delivered by means of a facsimile machine or electronic transmission, shall be treated in all manner and respects as an original Agreement and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of either party hereto the other party hereto shall re-execute original forms thereof and deliver them to such requesting party. No party hereto shall raise the use of a facsimile machine or electronic transmission to deliver a signature or the fact that any signature was transmitted or communicated through the use of facsimile machine or electronic transmission as a defense to the formation of a contract and each such party forever waives any such defense.

*[Balance of page intentionally left blank; signature page follows.]*

---

IN WITNESS WHEREOF, the parties hereto have executed this Employment Agreement as of the day and year first above written.

**COMPANY:**

STRATA SKIN SCIENCES, INC.

By: /s/ Dolev

Rafaeli

Dolev Rafaeli

Chief Executive Officer

**EMPLOYEE:**

/s/ Matthew C.

Hill

Matthew C. Hill

---

---