

**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): March 20, 2020

VENUS CONCEPT INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-38238
(Commission
File Number)

06-1681204
(IRS Employer
Identification Number)

**235 Yorkland Blvd, Suite 900
Toronto, Ontario M2J 4Y8**
(Address of principal executive offices, including Zip Code)

Registrant's telephone number, including area code (877) 848-8430

(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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.0001 par value per share	VERO	The Nasdaq Global Market

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.

On March 20, 2020, Venus Concept Inc. (the “Company”) entered into a Second Amended and Restated Loan Agreement as a borrower with City National Bank of Florida (“CNB”), as amended, (the “CNB Loan Agreement”), pursuant to which CNB agreed to make certain loans and other financial accommodations to the Company, and certain of its subsidiaries. In connection with the CNB Loan Agreement, the Company also entered into (i) a Second Amended and Restated Guaranty of Payment and Performance with CNB dated as of March 20, 2020, (the “CNB Guaranty”), pursuant to which the Company agreed to guaranty the obligations under the CNB Loan Agreement and (ii) a Security Agreement with CNB dated as of March 20, 2020, (the “CNB Security Agreement”), pursuant to which the Company agreed to grant CNB a security interest, in substantially all of its assets, to secure the obligations under the CNB Loan Agreement. Borrowings under the CNB Loan Agreement are secured by substantially all of the assets of the Company and its subsidiaries and the CNB Guaranty.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information contained in Item 1.01 of this Current Report on Form 8-K is incorporated by reference into this Item 2.03.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
10.1	<u>Second Amended and Restated Loan Agreement, dated as of March 20, 2020, by and between Venus Concept USA Inc., Venus Concept Canada Corp., Venus Concept Inc., and City National Bank of Florida.</u>
10.2	<u>Second Amended and Restated Guaranty of Payment and Performance, dated as of March 20, 2020, by and between Venus Concept USA Inc., Venus Concept Canada Corp., Venus Concept Inc., and City National Bank of Florida.</u>
10.3	<u>Third Amended and Restated Revolving Promissory Note, dated as of March 20, 2020, by and between Venus Concept USA Inc., Venus Concept Canada Corp., Venus Concept Inc., and City National Bank of Florida.</u>
10.4	<u>Security Agreement, dated as of March 20, 2020, by and between Venus Concept Inc. and City National Bank of Florida.</u>
10.5	<u>Third Amended and Restated Intercreditor Agreement, dated as of March 20, 2020, by and between Madryn Health Partners, LP and City National Bank of Florida.</u>

SIGNATURES

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.

VENUS CONCEPT INC.

By: /s/ Domenic Della Penna
Domenic Della Penna
Chief Financial Officer

Date: March 24, 2020

THIS SECOND AMENDED AND RESTATED LOAN AGREEMENT AMENDS, RESTATES AND REPLACES IN ITS ENTIRETY THAT CERTAIN AMENDED AND RESTATED LOAN AGREEMENT DATED AS OF AUGUST 29, 2018, AS AMENDED BY THAT CERTAIN FIRST AMENDMENT AND WAIVER TO AMENDED AND RESTATED LOAN AGREEMENT DATED MARCH 15, 2019, THAT CERTAIN SECOND AMENDMENT AND WAIVER TO AMENDED AND RESTATED LOAN AGREEMENT DATED APRIL 25, 2019 AND THAT CERTAIN THIRD AMENDMENT AND WAIVER TO AMENDED AND RESTATED LOAN AGREEMENT DATED OCTOBER 28, 2019 ALL BETWEEN BORROWER AND LENDER

SECOND AMENDED AND RESTATED LOAN AGREEMENT

THIS SECOND AMENDED AND RESTATED LOAN AGREEMENT (this "Agreement"), dated as of this 20th day of March, 2020, by and between **VENUS CONCEPT USA INC.**, a Delaware corporation, whose address is 235 Yorkland Blvd., Suite 900, Toronto, ON M2J 4Y8 ("Venus USA"); **VENUS CONCEPT CANADA CORP.**, a Canadian corporation whose address is 255 Consumers Road, Suite 110, Toronto, ON M2J 1R4 ("Venus Canada"), and **VENUS CONCEPT INC.**, a Delaware corporation, whose address is 235 Yorkland Blvd., Suite 900, Toronto, ON M2J 4Y8 ("VCI"), jointly and severally (collectively, the "Borrower"), and **CITY NATIONAL BANK OF FLORIDA**, its successors and/or assigns (the "Lender"), whose address is 100 SE 2nd Street, 13th Floor, Miami, Florida 33131.

RECITALS

A. Borrower has requested and Lender has agreed to make a revolving credit facility to Borrower in the maximum principal amount of **TEN MILLION AND NO/100 DOLLARS (\$10,000,000.00)** (the "Loan") to be used by Borrower to finance working capital requirements, subject to the terms and conditions contained in this Agreement.

B. Borrower and Lender have negotiated the terms and conditions of, and wish to enter into, this Agreement in order to set forth the terms and conditions of the Loan.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth below, Borrower and Lender agree as follows:

1. **DEFINITIONS**. As used in this Agreement the terms listed below shall have the following meanings unless otherwise required by the context:

(a) **Account**: Has the meaning set forth in the Code.

(b) **Account Debtor**: Means a person who is obligated under any Account.

(c) **Affiliate**: An Affiliate of the Borrower shall mean any entity which, directly or indirectly, controls or is controlled by or is under common control with the Borrower. An entity shall be deemed to be "controlled by" another entity if such other entity possesses, directly or indirectly, power to direct or cause the direction of the management and policies of such entity whether by contract, ownership of voting securities, membership interests or otherwise.

(d) **Available Commitment**: Means up to \$10,000,000.00.

(e) Bona Fide Revenue Contract: Means any duly executed and effective bona fide contract of the Parent or any Subsidiary thereof entered into in the ordinary course of business with any Person that is not an Affiliate of any Loan Party or any Subsidiary pursuant to which the Parent or any Subsidiary earns revenue.

(f) Borrowing Base: Shall have the meaning given to such term in Section 2 hereof.

(g) Borrowing Base Certificate or BBC: Means the certificate attached hereto as Exhibit "A".

(h) Capital Expenditures: Means all expenditures which would be required to be capitalized and shown on the balance sheet of the Borrower, including expenditures in respect to Capital Leases, but excluding expenditures made in connection with the replacement, substitution or restoration of assets to the extent financed (a) from insurance proceeds (or other similar recoveries) paid on account of the loss of or damage to the assets being replaced or restored or (b) with awards of compensation arising from the taking of eminent domain or condemnation of the assets being replaced.

(i) Capital Lease: Means, with respect to any Person, any lease of (or other agreement conveying the right to use) any real and personal property by such Person that is accounted for as a capital lease on the balance sheet of such Person.

(j) Code: Means the Uniform Commercial Code (or any successor statute), as adopted and in force in Florida or, when the laws of any other state govern the method or manner of the perfection or enforcement of any security interest in any of the Collateral, the Uniform Commercial Code (or any successor statute) of such state. Any term used in this Agreement and in any financing statement filed in connection herewith which is defined in the Code and not otherwise defined in this Agreement or in any other Loan Document has the meaning given to the term in the Code.

(k) Collateral: Shall have the meaning set forth in the Amended and Restated Security Agreement.

(l) Collateral Access Agreement: Means an agreement pursuant to which a mortgagee or lessor of real property on which collateral is stored or otherwise located, or a warehouseman, processor or other bailee of inventory owned by the loan party, acknowledges the liens of the lender and waives any liens held by such Person on such property, and in the case of any such agreement with a mortgagee or lessor, permits the Lender reasonable access to and use of such real property following the occurrence and during the continuance of an Event of Default to assemble, complete and sell any Collateral stored or otherwise located thereon, and contains such other provisions as otherwise acceptable to Lender

(m) Consolidated Contract Revenues: Means, for any period, for the Parent and its Subsidiaries on a consolidated basis, the sum (as calculated by the Parent in accordance with its practices prior to the date hereof), without duplication, of (a) gross revenues for such period from all Bona Fide Revenue Contracts originally entered into by the Parent or any Subsidiary of Parent in such period that are, or pursuant to the terms of such Bona Fide Revenue Contract will be, recognized as Consolidated Revenues under GAAP in such period or any future period plus (b) incremental gross revenues for such period arising pursuant to the terms of any bona fide amendment, extension, renewal or other modification of any Bona Fide Revenue Contract entered into by the Parent or any of its Subsidiaries in a prior period (or earlier in such period) that are, or pursuant to the terms of such amendment, extension, renewal or other modification will be, recognized as Consolidated Revenues under GAAP in such period

or any future period plus (c) all revenues for such period that are (x) not in any way earned pursuant to, derived from or in any way related to any Contractual Obligation and (y) included in Consolidated Revenues for such period; provided, that, it is understood and agreed that in no event shall "Consolidated Contract Revenues" include any revenues from any contract or any amendment, extension, renewal or modification of any contract to the extent such contract, amendment, extension, renewal or modification represents a replacement of an existing Bona Fide Revenue Contract without a material modification of the economics thereof.

(n) Consolidated Revenues: Means, for any period, for the Parent and its Subsidiaries on a consolidated basis, the total of (a) gross revenues for such period as determined in accordance with GAAP minus (b) the sum (without duplication) of (i) trade, quantity and cash discounts allowed by the Parent and its Subsidiaries plus (ii) discounts, refunds, rebates, charge backs, retroactive price adjustments and any other allowances which effectively reduce net selling price plus (iii) product returns and allowances plus (iv) set-offs and counterclaims plus (v) any other similar and customary deductions used by the Parent and its Subsidiaries in determining net revenues, all for such period and as determined in accordance with GAAP; provided, that, "Consolidated Revenues" shall exclude the revenues generated by any Subsidiary to the extent that the declaration or payment of dividends or similar distributions by that Subsidiary of the income resulting from such revenues is not at the time permitted by operation of the terms of its organizational documents or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Subsidiary.

(o) Contractual Obligation: Means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

(p) CPLTD: Current Portion of Long-Term Debt.

(q) EBITDA: As applies to any Person, the sum of earnings before interest, taxes, depreciation and amortization.

(r) Eligible Accounts Receivable: Means all Accounts in U.S. dollars and Canadian dollars evidenced by a paper invoice or electronic equivalent (valued at the face amount of such invoice, less maximum discounts, credits and allowances which may be taken by Account Debtors on such Accounts, and net of any sales tax, finance charges or late payment charges included in the invoiced amount) created or acquired by Borrower arising from the sale of inventory and/or the provision of services in Borrower's ordinary course of business (as approved by Lender) in which Lender has a first priority, perfected security interest, but excluding, without duplication:

(i) (A) domestic (Account Debtor located in the U.S. and/or Canada) Accounts not related to equipment leased to an Account Debtor due more than ninety (90) days after the date of invoice or past due by more than sixty (60) days, (B) domestic (Account Debtor located in the U.S. and/or Canada) unbilled Accounts related to equipment leased to an Account Debtor due more than 120 days after the date of invoice or are past due, and (C) foreign (Account Debtor located outside of the U.S. and/or Canada) unbilled Accounts not related to equipment leased to an Account Debtor due more than sixty (60) days from the date of invoice or past due by more than thirty (30) days (each a "Late Account," and collectively, the "Late Accounts");

- (ii) All Accounts owed by an Account Debtor if more than twenty-five percent (25%) of the Accounts owed by such Account Debtor to Borrower is deemed ineligible hereunder pursuant to clause (i);
- (iii) Accounts owing from any Affiliate of Borrower;
- (iv) Accounts owed by a creditor of Borrower to the extent of the amount of the indebtedness of Borrower to such creditor;
- (v) Accounts that are in dispute or subject to any counterclaim, contra-account, volume rebate, cooperative advertising accrual, deposit or offset, to the extent of such dispute, counterclaim, contra-account, rebate, accrual, deposit or offset;
- (vi) Accounts owing by any Account Debtor that becomes the subject of any bankruptcy or other voluntary or involuntary proceeding, in or out of court, for the adjustment of debtor-creditor relationships;
- (vii) Accounts arising from a sale on a bill-and-hold, guaranteed sale, sale-or-return, sale-on-approval, consignment or similar basis or which is subject to repurchase, return, rejection, repossession, loss or damage;
- (viii) Accounts owed by an Account Debtor that (1) is a sanctioned person or (2) other than an Account Debtor with respect to a foreign Eligible Accounts Receivable, is located outside of the United States of America;
- (ix) Accounts owed by the United States of America or other governmental or quasi-governmental unit, agency or subdivision, provided, however, accounts owed by the United States Postal Service shall be Eligible Accounts Receivable;
- (x) (I) Accounts as to which the goods giving rise to the Account have not been delivered to and accepted by the Account Debtor and (II) accounts as to which the service giving rise to the Account has not been completely performed or which do not represent a final sale;
- (xi) Accounts evidenced by a note or other instrument or chattel paper or reduced to judgment;
- (xii) Accounts for which the total of all Accounts from an Account Debtor (together with the Affiliates of such Account Debtor) exceeds fifteen percent (15%) of the total Accounts of Borrower subject to the Borrowing Base (but only to the extent of the excess) (each an "Over Concentration Account," and collectively the "Over Concentration Accounts,"); provided, however, at Borrower's request Lender shall review any Over Concentration Account on a case-by-case basis, and may include any such Over Concentration Account as Eligible Accounts Receivable as Lender shall determine in its sole and absolute discretion;
- (xiii) Accounts which, by contract, subrogation, mechanics' lien laws or otherwise, are subject to claims by Borrower's creditors or other third parties or which are owed by Account Debtors as to whom any creditor of Borrower (including any bonding company) has Lien or retainage rights;

(xiv) Any and all other Accounts the validity, collectability, or amount of which is determined in good faith and after reasonable due diligence by Borrower or Lender to be doubtful;

(xv) Any and all Accounts owed in connection with any bonded contracts;

(xvi) Any other Account which Lender in its sole and absolute discretion deems to be ineligible;

(xvii) Accounts owed by an Account Debtor which is located in a jurisdiction where Borrower is required to qualify to transact business or to file reports, unless Borrower so qualify or filed;

(xviii) Accounts owed by an Account Debtor who disputes the liability thereof; and

(xvix) Accounts in which Body Contour Ventures, LLC, American Aesthetic Equipment, LLC, BCA Acquisitions, LLC and/or any of their affiliates is the Account Debtor for so long as such Account Debtors are the subject of any bankruptcy or other similar proceeding and until Lender provides consent to include such Accounts as Eligible Accounts Receivable.

(s) Eligible Inventory: Means all Inventory acquired by the Borrower in the ordinary course of business and presently conducted (including warehouse finished goods which are not damaged or used) which are warehoused or located in the U.S. or Canada; provided, that on and after 60 days after the date hereof, all such Inventory must be warehoused or located at a location for which Lender has been provided with a Collateral Access Agreement and which Lender has otherwise determined are eligible for credit extensions hereunder. Eligible Inventory shall be valued at the lower of cost or market on a first-in, first-out basis, but excluding, however, in any event, without limitation of the foregoing, unless otherwise approved by Lender, any such Inventory which:

(i) is not at all times subject to a duly perfected, first priority (and except as set forth in the Intercreditor Agreement the only) security interest in favor of Lender;

(ii) is not in good and saleable condition;

(iii) is on consignment from, or subject to, any repurchase agreement with any supplier;

(iv) constitutes returned, repossessed, damaged, defective, obsolete, or slow-moving goods as reasonably determined by Lender;

(v) is subject to a negotiable document of title (unless issued or endorsed to Lender);

(vi) is subject to any license or other agreement that limits or restricts the Borrower's or the Lender's right to sell or otherwise dispose of such inventory (unless the licensor and the Borrower enter into a licensor waiver in form and substance satisfactory to Lender);

(vii) constitutes inventory-in-transit;

(viii) is located at a leased location of the Borrower, with respect to which Lender has not received within 60 days after the date hereof, a Collateral Assess Agreement from the person owning such property or in control thereof;

(ix) consists of any packaging materials, supplies or promotional materials;

(x) constitutes Inventory consisting of parts;

(xi) constitutes duties in Inventory;

(xii) has been returned to, or reposed by, the Borrower;

(xiii) constitutes Inventory related to VCI; and

(xiv) Lender otherwise in its sole and absolute discretion deems to not be Eligible Inventory.

(t) Event of Default: Shall have the meaning given to such term in Section 7.

(u) Financing Statements: The financing statements from Borrower to Lender to perfect Lender's security interest in the personal property described in the Amended and Restated Security Agreement.

(v) Fiscal Year: Means the fiscal year of the Borrower, which period shall be a 12-month period ending on December 31 of each year. References to a Fiscal Year with a number corresponding to any calendar year (e.g. "Fiscal Year 2013") refer to the Fiscal Year ending on December 31 of such calendar year.

(w) GAAP: Generally accepted accounting principles consistently applied, as adopted in the United States, and as amended from time to time.

(x) Governmental Authority: Any governmental or quasi-governmental authority, agency, authority, board, commission, or governing body authorized by federal, state or local laws or regulations as having jurisdiction over the Lender, the Borrower or, the Guarantor.

(y) Governmental Requirements: The standards for real property appraisals established under applicable regulations governing national or state chartered banks promulgated by the Board of Governors of the Federal Reserve System or the United States Comptroller of the Currency, and any other regulations promulgated by any Governmental Authority which apply to Lender.

(z) Guarantor: VENUS CONCEPT LTD., an Israeli corporation.

(aa) Guaranty: Second Amended and Restated Guaranty of Payment and Performance dated within ninety (90) days following the date hereof from Guarantor in favor of Lender, as may be amended, restated, modified or replaced from time to time.

(bb) Intercreditor Agreement: means that certain Third Amended and Restated Intercreditor Agreement of even date herewith, by and among the Lender and Madryn Health Partners, LP, a Delaware limited partnership, as amended, supplemented or replaced from time to time.

(cc) Inventory: Has the meaning set forth in the Code.

(dd) Involuntary Disposition: any loss of, damage to or destruction of, or any condemnation or other taking for public use of, any property of any Loan Party or any of its Subsidiaries.

(ee) IP Rights: all worldwide intellectual property rights, industrial property rights, proprietary rights and common-law rights, whether registered or unregistered, copyrights, domain names, patents, trademarks, proprietary databases, proprietary software, websites and trade secrets, including without limitation, all rights to and under all new and useful algorithms, concepts, data (including all clinical data relating to a product), databases, designs, discoveries, inventions, know-how, methods, processes, protocols, chemistries, compositions, show-how, software (other than commercially available, off-the-shelf or open source), specifications for products, techniques, technology, trade dress and all improvements thereof and thereto, which is owned by any Loan Party or any Subsidiary thereof or which any Loan Party or any Subsidiary thereof is licensed, authorized or otherwise granted rights under or to.

(ff) Lien: means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

(gg) Loan: That certain revolving credit facility in the amount of TEN MILLION AND NO/100 DOLLARS (\$10,000,000.00) from time to time outstanding, as evidenced by the Note and secured by the Amended and Restated Security Agreement and other Loan Documents as provided herein.

(hh) Loan Documents: Any and all agreements evidencing, securing, or executed by the Borrower and the Guarantors in connection with the Loan, including, without limitation, the Third Amended and Restated Revolving Promissory Note, the Security Agreement, and the Second Amended and Restated Guaranty and this Agreement.

(ii) Loan Party: the Parent, Guarantor and each Borrower.

(jj) LTD or Long-Term Debt: Means financial obligations that become due more than one year.

(kk) Madryn Credit Agreement. Means that certain Credit Agreement dated as of October 11, 2016, by and between Borrower, the Guarantor, the lenders from time to time party thereto and Madryn Health Partners, LP, a Delaware limited partnership, as Administrative Agreement, as amended by that certain First Amendment to Credit Agreement and Investment Documents dated as of May 25, 2017, that certain Second Amendment to Credit Agreement and Consent Agreement dated as of February 15, 2018, that certain Third Amendment to Credit Agreement and Waiver dated as of August 14, 2018, that certain Fourth Amendment to Credit Agreement dated as of January 11, 2019, that certain Fifth Amendment to Credit Agreement dated as of March 15, 2019, that certain Sixth Amendment to Credit Agreement and Consent dated as of April 25, 2019, that certain Seventh Amendment to Credit Agreement, Consent and Waiver dated as of June 25, 2019, that certain Omnibus Amendment and Waiver dated as of July 26, 2019, that certain Ninth Amendment to Credit Agreement dated as of August 14, 2019, that certain Tenth Amendment to Credit Agreement, Consent and Joinder Agreement dated as of November 7, 2019, that certain Eleventh Amendment to Credit Agreement and Consent Agreement dated of even date herewith and as may be further amended, supplemented, or replaced from time to time.

(ll) Material Adverse Effect: Means (a) a material adverse change in, or a material adverse effect upon, the financial condition, operations, assets, business, properties or prospects of the Parent and its Subsidiaries taken as a whole, (b) a material impairment of the ability of the Borrower to perform any of the obligations under any Loan Documents or (c) a material adverse effect upon any substantial portion of the Collateral under the Loan Documents or upon the legality, validity, binding effect or enforceability of any Loan Document against the Borrower of any Loan Document.

(mm) Note: That certain Third Amended and Restated Revolving Promissory Note dated as of even date herewith from Borrower in favor of Lender in the principal amount of \$10,000,000.00, as the same may be amended, restated, modified or replaced from time to time.

(nn) Parent: Venus Concept Inc., a Delaware corporation.

(oo) Permitted Transfers: (a) the sale, lease, license, transfer or other disposition (including, for the avoidance of doubt, by way of subscription agreements) of inventory (excluding, for the avoidance of doubt, any intellectual property or any IP rights) in the ordinary course of business, (b) the sale, lease, license, transfer or other disposition in the ordinary course of business of surplus, obsolete or worn out property no longer used or useful in the conduct of business of any Loan Party or any of their Subsidiaries, (c) any sale, lease, license, transfer or other disposition of property to any Loan Party or any Subsidiary thereof; provided, that, if the transferor of such property is a Loan Party (i) the transferee thereof must be a Loan Party or (ii) to the extent such transaction constitutes an investment, such transaction is permitted under the terms of this Agreement, (d) granting licenses of intellectual property on a non-exclusive basis or on an exclusive basis so long as each such exclusive license is limited to geographic areas, particular distribution channels or fields of use, customized products for customers or limited time periods, and so long as after giving effect to such exclusive license, the Parent and its Subsidiaries retain sufficient rights to use or benefit from the subject intellectual property as to enable them to continue to conduct their business in the ordinary course, (e) any Involuntary Disposition, (f) investments permitted pursuant to this Agreement (including, for the avoidance of doubt, any issuance by a Subsidiary of Parent of its equity interests to a minority owner of such Subsidiary at initial creation or formation of such Subsidiary), (g) the sale, transfer, issuance or other disposition of a de minimis number of shares of the equity interests of a Subsidiary of Parent that is not organized under the laws of any state of the United States or the District of Columbia (excluding Venus Canada) in order to qualify members of the governing body of such Subsidiary if required by applicable law, (h) the abandonment or other disposition of IP Rights that are not material and are no longer used or useful in any material respect in the business of the Parent and its Subsidiaries, (i) licenses, sublicenses, leases or subleases (in each case, other than with respect to IP Rights or intellectual property) granted to third parties in the ordinary course of business and not interfering in any material respect with the business of the Parent and its Subsidiaries and (j) dispositions of cash and cash equivalents in the ordinary course of business, and (k) any sale, lease, license, transfer or other disposition (other than with respect to CNB Priority Collateral (as defined in the Intercreditor Agreement) otherwise permitted under the Madryn Loan Documents (as defined in the Intercreditor Agreement)).

(pp) Person: A natural person, a partnership, a joint venture, an unincorporated association, a limited liability company, a corporation, a trust, any other legal entity, or any Governmental Authority.

(qq) Permitted Liens: Means (i) Liens pursuant to any Loan Document; (ii) Liens in favor of Madryn Lenders (as defined in the Intercreditor Agreement) on Madryn Priority Collateral (as defined in the Intercreditor Agreement) and, subject to the terms of the Intercreditor Agreement, CNB Priority Collateral (as defined under the Intercreditor Agreement); (iii) Liens existing on the Effective Date; (iv) Liens (other than Liens imposed under ERISA or in respect of a Canadian Pension Plan) for

taxes, assessments or governmental charges or levies not yet due or which are being contested in good faith and by appropriate proceedings diligently conducted, if adequate reserves with respect thereto are maintained on the books of the applicable Person in accordance with GAAP; (v) statutory Liens of landlords and Liens of carriers, warehousemen, mechanics, materialmen and suppliers and other Liens imposed by law or pursuant to customary reservations or retentions of title arising in the ordinary course of business; provided, that, such Liens secure only amounts not yet due and payable or, if due and payable, are unfiled and no other action has been taken to enforce the same or are being contested in good faith by appropriate proceedings for which adequate reserves determined in accordance with GAAP have been established; (vi) pledges or deposits in the ordinary course of business in connection with workers' compensation, unemployment insurance and other social security legislation, other than any Lien imposed by ERISA or in respect of a Canadian Pension Plan; (vii) deposits to secure the performance of bids, trade contracts and leases (other than Indebtedness), statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business; (viii) easements, rights-of-way, restrictions and other similar encumbrances affecting real property which, in the aggregate, are not substantial in amount, and which do not in any case materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business of the applicable Person; (ix) Liens securing judgments for the payment of money (or appeal or other surety bonds relating to such judgments) not constituting an Event of Default; (x) normal and customary rights of setoff upon deposits of cash in favor of banks or other depository institutions; (xi) Liens of a collection bank arising under Section 4-210 of the Uniform Commercial Code on items in the course of collection; (xii) reservations, limitations, provisos and conditions expressed in any original grants from the crown or other grants of real or immovable property, or interest therein, which do not materially affect the use of the affected land for the purpose for which it was used by that Person; (xiii) security given to a public utility or Governmental Authority when required by such utility or authority (excluding, for the avoidance of doubt, security in connection with Indebtedness for borrowed money) in connection with the operations of that Person in the ordinary course of its business provided that such security does not materially impair the use of the affected property for the purpose for which it was used by that Person; (xiv) Liens arising from precautionary Uniform Commercial Code financing statements or similar filings under applicable law regarding operating leases entered into by the Parent or any Subsidiary of Parent in the ordinary course of business; and (xv) other Liens securing Indebtedness or other obligations permitted hereunder, in an aggregate amount at any time outstanding not to exceed \$250,000; and (xvi) Subject to the terms of the Intercreditor Agreement, Liens on Madryn Priority Collateral (as defined in the Intercreditor Agreement) permitted under the Madryn Loan Documents (as defined in the Intercreditor Agreement).

(rr) Security Agreement: Collectively, that certain Amended and Restated Security Agreement dated as of August 29, 2018 from Venus USA in favor of Lender, that certain Amended and Restated General Security Agreement dated August 29, 2018 from Venus Canada in favor of Lender, and that certain Security Agreement dated as of even date herewith from VCI in favor of Lender, as the same may be amended, restated, modified or replaced from time to time.

(ss) Subsidiary: As defined in the Security Agreement.

(tt) Total Liabilities: Means the Borrower's total stated liabilities, less subordinated debt.

(uu) Unmatured Event of Default: Any event that, if it continues uncured, will, with lapse of time or notice, or both, constitute an Event of Default hereunder and under the other Loan Documents.

2. **LOAN.** Provided no Unmatured Event of Default or Event of Default then exists, the proceeds of the Loan shall be advanced from time to time to Borrower in amounts such that the aggregate principal amount of the Loan at any one time outstanding, will not exceed the lesser of: (i) \$10,000,000.00; or (ii) the sum of (a) the Domestic Eligible Non-Leased Accounts Receivable Formula Amount and Foreign Eligible Accounts Receivable Formula Amount, as each are defined below, on such date (if applicable); (b) the Domestic Eligible Upcoming Lease Accounts Receivable Formula Amount, as defined below, on such date; and (c) the Eligible Inventory Formula Amount, as defined below, on such date (if applicable), less any reserves determined by Lender in its sole and absolute discretion (the "Borrowing Base"); *provided further*, however, that in no event shall the principal amount of Loans outstanding under the Eligible Inventory Formula Amount exceed the aggregate principal amount of Loans outstanding under the Domestic Eligible Accounts Receivable Formula Amount plus the Foreign Eligible Accounts Receivable Formula Amount plus the Domestic Eligible Upcoming Lease Accounts Receivable Formula Amount. If at any time (other than as described in the last paragraph of this Section 2) the aggregate principal balance of the Loan exceeds the Borrowing Base, Borrower shall be required to make a principal reduction within ten (10) business days in an amount sufficient to bring the outstanding principal balance of the Loan into compliance with the Borrowing Base. The failure to make such payment shall constitute an immediate Event of Default hereunder. In addition, upon such occurrence, Lender shall have the option, in its sole and absolute discretion, to permanently reduce availability under the Loan by an amount equal to the amount in excess of the Borrowing Base, irrespective of any subsequent payment made by Borrower. Notwithstanding the foregoing, Lender in its sole and absolute discretion may reduce the advance rates set forth above, or adjust or reduce one or more of the other elements used to compute the Borrowing Base and determine availability hereunder. As used herein, the following terms will have the meanings indicated:

"Domestic Eligible Non-Leased Accounts Receivable Formula Amount" means an amount up to 85% of the net amount of domestic (Account Debtor located in U.S. and/or Canada) Eligible Accounts Receivable not related to equipment leased to an Account Debtor, on any date of determination thereof.

"Domestic Eligible Upcoming Lease Accounts Receivable Formula Amount" means an amount up to 85% of the net amount of domestic (Account Debtor located in U.S. and/or Canada) unbilled Eligible Accounts Receivable related to equipment leased to an Account Debtor (which has no past due amounts), on any date of determination thereof.

"Eligible Inventory Formula Amount" means an amount up to the lesser of (i) 35% of the cost of Eligible Inventory on a lower of costs or market basis, and (ii) \$2,500,000.00. Notwithstanding with anything discussed herein to the contrary, the outstanding amount of Eligible Inventory advances hereunder shall not exceed 35% of total availability under the Loan.

"Foreign Eligible Accounts Receivable Formula Amount" means an amount up to 50% (notwithstanding a sublimit of \$1,000,000.00) of the net amount of foreign (Account Debtor located outside the U.S. and/or Canada) unbilled Eligible Accounts Receivable not related to equipment leased to an Account Debtor, on any date of determination thereof.

3. **EXPENSES:** Borrower shall pay all fees and charges incurred in the procuring and making of the Loan and all other expenses incurred by Lender during the term of the Loan, including without limitation documentary stamp taxes, if applicable, intangible taxes, if applicable, recording expenses, and the fees of the attorneys for Lender. The Borrower shall also pay any and all insurance premiums, taxes, assessments, and other charges, Liens and encumbrances upon the Collateral. Suchp1

amounts, unless sooner paid, shall be paid from time to time as Lender shall request either to the Person to whom such payments are due or to Lender if Lender has paid the same.

4. WARRANTIES AND REPRESENTATIONS. Borrower and/or Guarantor, as applicable, represent and warrant (which representations and warranties shall be deemed continuing) as follows:

(a) Organization Status. (i) Venus Concept USA, Inc. is duly organized under the laws of the State of Delaware and is in good standing under the laws of the State of Delaware, (ii) Venus Concept Canada Corp. is duly organized under the laws of Ontario, Canada, and is in good standing under the laws Ontario, Canada, (iii) Venus Concept Inc. is duly organized under the laws of the State of Delaware and is in good standing under the laws of the State of Delaware, (iv) Venus Concept USA, Inc. is qualified to do business in the State of Florida and the State of California, and (v) the issued and outstanding capital stock of the Borrower and Guarantor has been duly and validly issued.

(b) Compliance with Laws. To the Borrower's knowledge, Borrower is in material compliance with all laws, regulations, ordinances and orders of all Governmental Authorities applicable to it.

(c) Accurate Information. All information now and hereafter furnished by Borrower to Lender in connection with the Loan Documents is and will be true, correct and complete in all material respects.

(d) Authority to Enter into Loan Documents. The Borrower has full power and authority to enter into the Loan Documents and consummate the transactions contemplated hereby, and the facts and matters expressed or implied in the opinions of its legal counsel are true and correct.

(e) Validity of Loan Documents. The Loan Documents have been approved by those Persons having proper authority, and are in all respects legal, valid and binding according to their terms.

(f) Priority of Lien on Personalty. No chattel mortgage, bill of sale, security agreement, financing statement or other title retention agreement (except those executed in favor of Lender and other Permitted Liens) has been or will be executed with respect to any of the Collateral, unless otherwise approved by Lender in accordance with the Security Agreement.

(g) Conflicting Transactions of Borrower. The consummation of the transaction hereby contemplated and the performance of the obligations of Borrower and Guarantor under and by virtue of the Loan Documents will not, upon executing of the Intercreditor Agreement, result in any breach of, or constitute a default under, any material lease, loan or credit agreement, or other material instrument to which Borrower or Guarantor is a party or by which they are bound.

(h) Pending Litigation. There are no actions, suits or proceedings pending against Borrower, Guarantor, or the Collateral, or to the Borrower's knowledge, threatened in writing against Borrower, Guarantor, the Collateral before or by any Governmental Authority that (i) purports to affect or pertain to the validity or enforceability of any of the Loan Documents or (ii) could reasonably be expected to have a Material Adverse Effect, except, in each case, actions, suits and proceedings which have been disclosed to and approved by Lender in writing. As of the date hereof, a true and complete list of all actions, suits or proceedings pending before any Governmental Authority that could reasonably be expected to result in losses and/or expenses in excess of \$250,000 has been provided to Lender. To the

Borrower's knowledge, Borrower is not in default with respect to any order, writ, injunction, decree or demand of any court or any Governmental Authority.

(i) Condition of Collateral. The Collateral is not now damaged or injured as a result of any fire, explosion, accident, flood or other casualty.

(j) Discharge of Liens and Taxes. Borrower and Guarantor have filed all Canadian, Israeli and U.S. federal and state income and all other material tax returns and reports required to be filed, and have paid and/or discharged all provincial, territorial, state and other material taxes, assessments, fees and other governmental charges levied or imposed by a taxing authority upon them or their properties, income or assets otherwise due and payable, except to the extent that such items are being appropriately contested in good faith and an adequate reserve under GAAP for the payment thereof is being maintained.

(k) Sufficiency of Capital. Neither Borrower nor any Guarantor is, and after consummation of this Agreement and after giving effect to all indebtedness incurred and Liens created by Borrower in connection with the Note and any other Loan Documents, will be, insolvent within the meaning of 11 U.S.C. § 101, as in effect from time to time.

(l) ERISA. Each employee pension benefit plan, as defined in Employee Retirement Income Security Act of 1974, as amended ("ERISA"), maintained by Borrower and/or any Guarantor meets, as of the date hereof, the minimum funding standards of ERISA and all applicable regulations thereto and requirements thereof, and of the Internal Revenue Code of 1986, as amended. No "Prohibited Transaction" or "Reportable Event" (as both terms are defined by ERISA) has occurred with respect to any such plan.

(m) No Default. There is no Event of Default or Unmatured Event of Default on the part of Borrower or Guarantor under this Agreement, the Note, the Guaranty or the Security Agreement. To Borrower's knowledge, Guarantor and Borrower are not in default in any material respect under any agreement or instrument to which it is a party or by which it may be bound which would individually or in the aggregate have a material adverse effect on the financial condition or business of the Borrower or Guarantor.

(n) Brokerage. Any brokerage commission due in connection with the transaction contemplated hereby has been paid in full.

(o) Ownership of Properties/Liens. Borrower has marketable title or leasehold interests in and to all real property necessary or used in the ordinary conduct of its business, except for such defects in title as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The Borrower's real and personal properties, tangible and intangible, of any nature whatsoever (including patents, trademarks, trade names, service marks and copyrights), are free and clear of all Liens (other than Permitted Liens).

5. COVENANTS. Borrower and Guarantor, as applicable, covenants and agrees with Lender as follows:

(a) Taxes. Borrower certifies that it has filed or caused to be filed all federal, state income and other material tax returns which are required to be filed, and have paid or caused to be paid all such taxes as shown on said returns or in any manner due to be paid (including, but not limited to, ad valorem and personal property taxes) or on any assessment received by Borrower and not being contested in good faith, to the extent that such taxes have become due.

(b) Notice of Litigation. Borrower shall promptly give Lender written notice of (a) a judgment in excess of \$500,000.00 entered against Borrower, or (b) the commencement of any action, suit, claim, counterclaim or proceeding against or investigation of Borrower which, if adversely determined, would materially adversely affect the business of Borrower, or which questions the validity of this Agreement, the Note or the Security Agreement.

(c) Notice of Default. Borrower shall promptly give Lender written notice of any Unmatured Event of Default under any agreement with Lender or under any other contract to which Borrower is a party resulting in the acceleration of Indebtedness which would reasonably be expected to have a materially adverse affect on the business of Borrower.

(d) Reports. Borrower shall promptly furnish Lender with copies of all material governmental agency reports pertaining to or affecting Borrower which would materially adversely affect the business of Borrower.

(e) Change in Ownership, Control or Management of Borrower. Borrower shall not change its ownership, control or management structure during the term of the Agreement without the prior written consent of Lender, including without limitation, if either Borrower becomes a standalone entity or subsidiary of another entity, which shall not be unreasonably withheld or delayed. It is hereby clarified that bona fide raising of capital or an initial public offering of the Guarantor or either Borrower shall not be deemed as change of control of the Borrower and shall not require the Lender's prior written consent.

(f) Change in Fiscal Year. Borrower shall not change its fiscal year without the prior written consent of Lender. Borrower's fiscal year ends on December 31.

(g) No Sale of Assets. Borrower and Guarantor shall not, during the term of the Loan, transfer any material portion of their respective assets (other than Permitted Transfers) unless either (i) such transfer is in the ordinary course of Borrower's or Guarantor's business, for fair market value or reasonable consideration, and such transfer will not have a material adverse effect on the financial condition of Borrower or Guarantor and/or its ability to perform the obligations hereunder, as determined by Lender in its reasonable discretion, or (ii) (x) the consideration paid in connection therewith shall be cash or cash equivalents paid contemporaneous with consummation of the transaction and shall be in an amount not less than the fair market value of the property disposed of, (y) no Unmatured Event of Default or Event of Default shall have occurred and be continuing both immediately prior to and after giving effect to such transfer, and (z) the aggregate net book value of all of the assets sold or otherwise disposed of in such disposition together with the aggregate net book value of all assets sold or otherwise disposed of by the Loan Parties and their Subsidiaries in all such transactions occurring during the term of this Agreement does not exceed \$500,000.

(h) Title to Collateral. Borrower will deliver to Lender, after its reasonable request, any contracts, bills of sale, statements, receipted vouchers or agreements under which Borrower claims title to any of the Collateral.

(i) Payment of Taxes. Borrower shall pay and discharge when due, and before subject to penalty or further charge, and otherwise satisfy before maturity or delinquency, all provincial, territorial, state and other material taxes, assessments, fees and other governmental charges levied or imposed by a taxing authority upon them or their properties, income or assets otherwise due and payable,

except to the extent that such items are being appropriately contested in good faith and an adequate reserve under GAAP for the payment thereof is being maintained, or with respect to which Borrowers have obtained a valid extension of time within which to pay any such debts, taxes and liabilities, or for which delay and payment shall not have a material adverse effect on Borrower's financial condition ..

(j) Collection of Insurance Proceeds. Borrower will cooperate with Lender in obtaining for Lender the benefits of any insurance or other proceeds lawfully or equitably payable to it in connection with the transaction contemplated hereby and the collection of any indebtedness or obligation of Borrower to Lender incurred hereunder.

(k) Indebtedness. Borrower shall not incur, create, assume or permit to exist any indebtedness or liability for borrowed money, any indebtedness constituting the deferred purchase price of any property or assets, any indebtedness owed under any conditional sale or title retention agreement, contingent obligations pursuant to guaranties of Indebtedness, endorsements, letters of credit and other similar secondary liabilities, or any other indebtedness or liability evidenced by notes, bonds, debentures or similar obligations (collectively, "Indebtedness") without the prior written approval of Lender, except for (i) the Loan, (ii) the endorsement of checks for collection in the ordinary course of business, (iii) debt payable to suppliers and other trade creditors in the ordinary course of business on ordinary and customary trade terms and which is not past due, (iv) intercompany Indebtedness; (v) other Indebtedness, in an aggregate principal amount not to exceed \$250,000 at any time outstanding; and (vi) other Indebtedness permitted under the Madryn Loan Documents (as defined in, and subject to the terms of, the Intercreditor Agreement).

(l) Guaranties. Except as may be in existence prior to the date hereof, as previously disclosed to the Lender, or as permitted under Section 5(k), Borrower shall not guarantee or otherwise in any way become or be responsible for any Indebtedness of any other Person, whether by agreement to purchase the indebtedness of any other Person, or agreement for the furnishing of funds to any other Person through the purchase of goods, supplies or services (or by way of stock purchase, capital contribution, advance or loan) for the purpose of paying or discharging Indebtedness of any other Person, or otherwise.

(m) Advances. Borrower shall not make any advances, dividends, loans, or distributions to Guarantor or any of its subsidiaries, affiliates, shareholders, officers or directors, without the prior written consent of Lender. Notwithstanding the foregoing, so long as no Event of Default exists, Borrower shall be permitted to make advances to Guarantor or any of its subsidiaries, affiliates, shareholders, officers or directors, in the ordinary course of Borrower's business, without first obtaining Lender's prior written consent. Furthermore, it is hereby clarified and agreed that the provisions made in this section shall not interfere with any ordinary course money transfers among the Borrower and any of its affiliates, and such money transfers shall not require the Lender's prior written consent.

(n) Further Assurances and Preservation of Security. Borrower will do all acts and execute all documents for the better and more effective carrying out of the intent and purposes of this Agreement, as Lender shall reasonably require from time to time, and will do such other acts necessary or desirable to preserve and protect the Collateral at any time securing or intending to secure the Note, as Lender may reasonably require.

(o) No Assignment. Borrower shall not assign this Agreement or any interest therein and any such assignment is void and of no effect. Lender may assign this Agreement and any other Agreements contemplated hereby, and all of its rights hereunder and thereunder, and all provisions of this

Agreement shall continue to apply to the Loan. Lender agrees to notify Borrower of any such assignment. Lender also shall have the right to participate the Loan with any other lending institution.

(p) Access to Books and Records. Borrower shall allow Lender, or its agents, after reasonable prior notice and during reasonable normal business hours, to access Borrower's books, records and such other documents, and allow Lender, at Borrower's expense, to inspect, audit and examine the same and to make extracts therefrom and to make copies thereof. Lender shall be entitled to a field exam, audit and inventory appraisal on a semi-annual basis (or during the existence of an Event of Default, more frequently, if Lender deems it necessary in its sole and absolute discretion) at Borrower's expense throughout the term of the Loan.

(q) Business Continuity. Borrower shall conduct its business in substantially the same manner and as such business is now and has previously been conducted during the term of the Loan.

(r) Insurance.

(1) Borrower shall obtain, maintain and keep in full force and effect during the term of the Loan adequate insurance coverage, with all premiums paid thereon and without notice or demand, with respect to its properties and business against loss or damage of the kinds and in the amounts customarily insured against by companies of established reputation engaged in the same or similar businesses and owning similar properties in localities where the applicable Borrower operates including, without limitation:

(i) For any and all Canadian locations, public liability insurance insuring against all claims for personal or bodily injury, death, or property damage in an amount of not less than \$10,000,000.00 single limit coverage, and \$10,000,000.00 in the aggregate. Such policy shall include an additional insured endorsement naming the Lender as loss payee;

(ii) For any and all United States locations, public liability insurance insuring against all claims for personal or bodily injury, death, or property damage in an amount of not less than \$1,000,000.00 single limit coverage, and \$2,000,000.00 in the aggregate. Such policy shall include an additional insured endorsement naming the Lender as loss payee;

(iii) A personal property insurance policy (insuring Inventory) in an amount not less than \$2,000,000.00 combined for its North American locations; and

(iv) Insurance in such amounts and against such other casualties and contingencies as may from time to time be required by Lender.

(2) All policies of insurance required hereunder shall: (i) be written by carriers which are licensed or authorized to transact business in the State of Florida, and are rated "A" or higher, Class XII or higher, according to the latest published Best's Key Rating Guide and which shall be otherwise acceptable to Lender in all other respects, (ii) provide that the Lender shall receive thirty (30) days' prior written notice from the insurer before a cancellation, material change or non-renewal of the policy becomes effective and (iii) be otherwise satisfactory to Lender in its reasonable discretion.

(3) Borrower shall not, without the prior written consent of Lender, take out separate insurance concurrent in form or contributing with regard to any insurance coverage required by Lender.

(4) At all times during the term of the Loan, at request of Lender, Borrower shall promptly deliver to Lender the original (or a certified copy) of all policies of insurance required hereby, together with receipts or other evidence that the premiums therefor have been paid.

(5) Not less than thirty (30) days prior to the expiration date of any property or liability insurance policy of Borrower, at request of Lender, Borrower shall deliver to Lender the original (or certified copy), or a certificate, as applicable, of each renewal policy, together with receipts or other evidence that the premiums therefor have been paid.

(6) The delivery of any insurance policy and any renewals thereof, shall constitute an assignment thereof to Lender and Borrower hereby grants to Lender a security interest in all such policies, in all proceeds thereof and in all unearned premiums therefor.

(s) Lockbox. After the occurrence and during the continuation of an Event of Default, Lender may require the Borrower to establish a lockbox under the control of Lender to which all of the Account Debtors shall forward payments on the Accounts. The Borrower shall pay all of Lender's standard fees and charges in connection with such lockbox arrangement (if any) as such charges and fees may change from time to time. In the event Lender requires a lockbox arrangement, the Borrower shall notify Account Debtors on the Accounts to forward payments on the Accounts to the lockbox; provided, however, that Lender shall have the right to directly contact Account Debtors at any time after the occurrence and during the continuation of an Event of Default, to ensure that payments on the Accounts are directed to the lockbox. The Borrower hereby grants to Lender as additional security in and lien upon all items and balances held in any lockbox as additional collateral for the obligations of the Borrower. After the occurrence and during the continuation of an Event of Default, the Lender shall be irrevocably authorized to debit and "sweep" the lockbox daily and take all sums contained therein and apply such sums against monies owed to the Lender of any kind, including, without limitation, any principal and/or interest due under the Note.

(t) Subordination of Debt. Subject to the terms of the Intercreditor Agreement, Borrower will fully subordinate all of the Borrower's material Indebtedness owed to third parties, including, without limitation, officers, employees, stockholders, and affiliates, upon terms and conditions acceptable to Lender. Notwithstanding the foregoing, (i) so long as the Borrower is in compliance with the financial covenants contained herein and there is no Event of Default, and no condition exists, which but for the giving of notice or the passage of time would constitute an Event of Default, the Borrower shall be permitted to make regular scheduled payments of principal and interest on such subordinated debt.

(u) Indemnification. Borrower and Guarantor hereby indemnify and hold Lender, its directors, officers, agents, employees and attorneys harmless from and against any liability, loss, expenses, damage of any nature, and claims, including, without limitation, brokers' claims, arising in connection with: (i) any failure by the Borrower to make payment of any amount due under this Loan Agreement or the Security Agreement on the due date or, if so payable, on demand; (ii) the occurrence and/or continuance of an Event of Default or (iii) material inaccuracy or material breach of any of the representations contained in this Agreement or any other Loan Documents, in each case, except for any liabilities, losses, expenses, damages and claims arising out of Lender's breach of contract, bad faith, gross negligence or willful misconduct.

(v) Estoppel Certificate. At any time during the term of the Loan, within ten (10) business days after written demand of such Borrower by the Lender therefor, the Borrower shall deliver to the Lender a certificate, duly executed and in form satisfactory to the Lender, stating and acknowledging,

to the best of such Borrower's knowledge, the then unpaid principal balance of, and interest due and unpaid, under the Loan, the fact that there are no defenses, off sets, counterclaims or recoupments thereto (or, if such should not be the fact, then the facts and circumstances relating to such defenses, off sets, counterclaims or recoupments).

(w) Release of Information for Marketing Purposes. The Borrower consents to the Lender releasing details of the Loan to the media, radio, television, trade publications, magazines, web sites or other forms of media (collectively, the "Media") and hereby releases and holds Lender harmless from any liability arising out of the use or publication of such information absent Lender's gross negligence or willful misconduct.

6. FINANCIAL COVENANTS AND REPORTING REQUIREMENTS.

(a) Depository Relationship. At all times during the term of the Loan, each Borrower shall maintain all its depository account(s), merchant services and treasury management services with Lender with exception for foreign depository accounts (those holding monies other than U.S. dollars); provided, however, VCI shall have sixty (60) days following the date hereof to move all of its depository accounts, merchant services and treasury management services to Lender. Notwithstanding the foregoing, Borrower shall be permitted to maintain: (i) account(s) with PNC Bank, National Association ("PNC") so long as any such account(s) are at all times subject to a Deposit Account Control Agreement by and between PNC and Lender in form and substance acceptable to Lender; and (ii) Borrower's PayPal account(s) so long as such account(s) do not exceed \$250,000.00 at any given time. The Loan shall be set up on an automatic debit from one of Borrower's accounts with Lender.

(b) Guarantor's Annual Financial Statements. Within 120 days after the end of each fiscal year, commencing with fiscal year end 2018, Guarantor shall supply Lender with (i) an annual audited consolidated financial statement for the prior fiscal year (including a comparison to the immediately preceding year) in form of presentation reasonably acceptable to Lender, and (ii) such supporting documentation as Lender reasonably requests.

(c) Borrower, Guarantor and its Subsidiaries Financial Statements. Within 45 days following the close of each quarter, Borrower shall supply Lender with (i) quarterly management prepared (and certified as true and correct by the CEO and/or CFO of Guarantor) consolidated and consolidating, financial statement of the Parent and its Subsidiaries for the prior semi-annual period in form of presentation reasonably acceptable to Lender, (ii) such supporting documentation as Lender reasonably requests, and (iii) a covenant compliance certificate confirming compliance with the financial covenants set forth herein, in form reasonably satisfactory to Lender.

(d) Borrower Tax Returns. Within 30 days of filing, Borrower shall supply Lender with a copy of its annual federal income tax returns, including, without limitation, K-1 statements for all Partnerships and Sub Chapter S Corporations, or, if an extension is filed for any tax return, within 30 days after any permitted extension date.

(e) Guarantor Tax Returns. Within 30 days of filing, each Guarantor shall supply Lender with a copy of its annual federal income tax returns, including, without limitation, K-1 statements for all Partnerships and Sub Chapter S Corporations, or, if an extension is filed for any tax return, within 30 days after any permitted extension date.

(f) Monthly Reports. Within twenty (20) days of the end of each month, Borrower shall supply Lender with (i) an accounts receivable aging report, (ii) any inventory stock status

certification report, (iii) an accounts payable aging report, (iv) a summary of all sold, purchased and current inventory for such period, unless at such time that Borrower does not have any borrowings under the facility.

Should Borrower not be required to provide the bank with Monthly Reports as established in Section 6 (f) and require an advance under the line thereafter, Borrower shall submit Monthly Reports for the three periods prior to the advance request, along with a BBC for the most current period. Borrower will give Bank two weeks' notice of the borrowing requirement with the submission of the required reports.

(g) Form of Financial Statements. The form of presentation of each financial statement as required above shall be reasonably acceptable to Lender, shall be certified by Borrower to be correct and complete in all material respects, and to the extent required by GAAP, shall include a complete description of all contingent liabilities, including, without limitation, all Indebtedness guaranteed.

(h) Unused Fee. Annually, on each anniversary of the Loan, Borrower shall pay to Lender an unused fee in an amount equal to .25% of the average unfunded amount of the Loan for the prior one year period.

(i) Monthly Borrowing Base Certificates. Within twenty (20) days of the end of each month, Borrower shall supply Lender with a Borrowing Base Certificate with the Borrowing Base calculation for such month and resulting availability under the Note duly executed by an authorized officer of Borrower.

(j) Financial Covenants. At all times during the term of the Loan, the Borrower shall satisfy (or cause to be satisfied) either clause (i) below; or clauses (ii) and (iii) below:

(i) Average Compensating Balances. The Borrower shall maintain an average daily balance during each calendar quarter of deposits with the Lender of at least Three Million and No/100 Dollars (\$3,000,000.00) and additionally, Borrower, Parent and its Subsidiaries shall maintain an aggregate of average daily balances during each calendar quarter of deposits of at least Five Million and No/100 Dollars (\$5,000,000.00), in each case, to be tested by Lender quarterly. If at any time during the term of the Loan the balances fall below these required minimums, following notice and a ten (10) day period to cure, the Interest Rate (as set forth in the Note) shall be increased by 100 basis points until such default is cured.

(ii) Debt Service Coverage Ratio. Parent shall maintain a minimum Debt Service Coverage Ratio of not less than 1.75 to 1.00 including Madryn Healthcare Partners, LP debt service. For purposes hereof, "Debt Service Coverage Ratio" shall mean the ratio of (a) EBITDA, plus stock based compensation, plus capital contributions to Borrower or Parent less shareholder distributions, less unfinanced capex, divided by (b) CPLTD, plus cash interest expense on all debt. This covenant shall be measured semiannually on a trailing twelve month basis upon Lender's receipt of the consolidated financial statements of Parent required herein for each fiscal quarter ending June 30 and December 31.

(iii) Total Liabilities to Tangible Net Worth Ratio. Parent shall maintain a maximum ratio of Total Liabilities to Tangible Net Worth of not more than 1.5 to 1.00. For purposes hereof, "Total Liabilities" shall be defined as total liabilities, less subordinated debt; and "Tangible Net Worth" shall be defined as net worth, less dues from or loans to affiliated/related parties, less intangible assets, plus subordinated debt. This covenant shall be measured quarterly upon Lender's receipt of the financial statements of Parent required herein.

(k) Minimum Revenues. Borrower shall ensure compliance with Section 8.16 (Minimum Revenues) of the Madryn Credit Agreement.

(l) Landlord Lien Waivers. Borrower shall use best efforts to obtain a Landlord Lien Waiver in form and substance acceptable to Lender for Borrower's Florida location(s). Lender may, from time to time, request reasonable evidence of such efforts.

7. DEFAULT. Upon the occurrence of any of the following events (each an "Event of Default" and collectively, the "Events of Default"), Lender may at its option exercise any of its remedies set forth herein:

(a) Borrower fails to pay any principal or interest under this Agreement or the Note, when due, whether on the scheduled due date or upon acceleration, maturity or otherwise, and such failure is not cured by the Borrower within 5 business days from the date of notice by Lender of such Event of Default; or

(b) Borrower fails to perform any other obligation under the Loan Documents and such failure is not cured by the Borrower within fourteen (14) business days after written notice thereof is given by Lender to Borrower; or

(c) Borrower or Guarantor (i) fails to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), in respect of any Indebtedness or Guarantee of Indebtedness having an aggregate principal amount (including undrawn committed or available amounts and including amounts owing to all creditors under any combined or syndicated credit arrangement) of more than \$250,000, or (ii) fails to observe or perform any other agreement or condition relating to any such Indebtedness or Guarantee of more than \$250,000 or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs, the effect of which default or other event is to cause, or to permit the holder or holders of such Indebtedness or the beneficiary or beneficiaries of such Guarantee (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Indebtedness to be demanded or to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Indebtedness to be made, prior to its stated maturity, or such Guarantee to become payable or cash collateral in respect thereof to be demanded; or

(d) If any warranty or representation made by Borrower in this Agreement or in any written document, instrument or agreement delivered pursuant to the terms hereof shall be false or misleading in any material respect, when made or deemed made; or

(e) The dissolution of, or termination of existence of, Borrower; or

(f) Borrower becomes the subject of any bankruptcy or other voluntary or

involuntary proceeding, in or out of court, for the adjustment of debtor-creditor relationships, and such proceeding has not been vacated, discharged, or stayed within 60 days from the commencement thereof; or

(g) Guarantor becomes the subject of any bankruptcy or other voluntary or involuntary proceeding, in or out of court, for the adjustment of debtor-creditor relationship; or

(h) The entry of a final judgment against Borrower or Guarantor for the payment of money in an aggregate amount exceeding \$250,000 (to the extent not covered by independent third-party insurance as to which the insurer does not dispute coverage) which is not paid, stayed or discharged within 60 days, except as would not have a material adverse effect on Borrower's financial condition; or

(i) The seizure or forfeiture of, or the issuance of any writ of possession, garnishment or attachment, or any turnover order for any material property of Borrower, or Guarantor; and such proceeding has not been vacated, discharged, or stayed within 60 days from the commencement thereof; or

(j) There occurs any circumstance or circumstances that could reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect, and Lender has given Borrower written notice thereof;

(k) The failure of Borrower or any Guarantor to timely provide any of the information as required in Section 6 above, and such failure is not cured by the Borrower within fourteen (14) business days; or

(l) The failure of Borrower to timely satisfy any of the covenants as required in Section 6 above, and such failure is not cured by the Borrower within fourteen (14) business days.

8. REMEDIES OF LENDER. Upon the happening of an Event of Default, subject to the expiration of the applicable cure period, then Lender may, at its option, upon written notice to Borrower, and subject to the Intercreditor Agreement:

(j) Cease making advances hereunder;

(k) Terminate its obligations to make advances under this Agreement;

(l) Commence an appropriate legal or equitable action to enforce performance of this Agreement;

(m) Accelerate the payment of the Note and the Loan and any other sums secured by the Security Agreement, and commence appropriate legal and equitable action to collect all such amounts due Lender;

(n) Exercise any other rights or remedies Lender may have under the Security Agreement or other Loan Documents referred to in this Agreement or executed in connection with the Loan or which may be available under applicable law.

9. POST-CLOSING.

(o) Guaranty. Within forty-five (45) days following the date hereof, Guarantor shall enter into and deliver to Lender that certain Second Amended and Restated Guaranty of Payment and Performance from Guarantor in favor of Lender.

10. GENERAL TERMS. The following shall be applicable throughout the period of this Agreement or thereafter as provided herein:

(p) Rights of Third Parties. All conditions of the Lender hereunder are imposed solely and exclusively for the benefit of Lender and Borrower and their respective successors and assigns. No Person other than Lender shall have standing to require satisfaction of such conditions or be entitled to assume that Lender will make advances in the absence of strict compliance with any or all thereof. No other Person shall, under any circumstances, be deemed to be a beneficiary of this Agreement or the Loan Documents, any provisions of which may be freely waived in whole or in part by the Lender at any time if, in its sole discretion, it deems it desirable to do so.

(q) Borrower is not Lender's Agent. Nothing in this Agreement, the Note, the Security Agreement, or any other Loan Document shall be construed to make the Borrower the Lender's agent for any purpose whatsoever, or the Borrower and Lender partners, or joint or co-venturers, and the relationship of the parties shall, at all times, be that of debtor and creditor.

(r) Loan Expense/Enforcement Expense. Borrower agrees to pay to Lender on demand all reasonable costs and expenses incurred by Lender in seeking to enforce Lender's rights and remedies under this Agreement, including court costs, costs of alternative dispute resolution and reasonable attorneys' fees and costs, whether or not suit is filed or other proceedings are initiated hereon.

(s) Evidence of Satisfaction of Conditions. Lender shall, at all times, be free independently to establish to its good faith and satisfaction, and in its absolute discretion, the existence or nonexistence of a fact or facts which are disclosed in documents or other evidence required by the terms of this Agreement.

(t) Headings. The headings of the sections, paragraphs and subdivisions of this Agreement are for the convenience of reference only, and shall not limit or otherwise affect any of the terms hereof.

(u) Invalid Provisions to Affect No Others. If performance of any provision hereof or any transaction related hereto is limited by law, then the obligation to be performed shall be reduced accordingly; and if any clause or provision herein contained operates or would prospectively operate to invalidate this Agreement in part, then the invalid part of said clause or provision only shall be held for naught, as though not contained herein, and the remainder of this Agreement shall remain operative and in full force and effect.

(v) Application of Interest to Reduce Principal Sums Due. In the event that any charge, interest or late charge is above the maximum rate provided by law, then any excess amount over the lawful rate shall be applied by Lender to reduce the principal sum of the Loan or any other amounts due Lender hereunder.

(w) Governing Law. The laws of the State of Florida shall govern the interpretation and enforcement of this Agreement.

(x) Number and Gender. Whenever the singular or plural number, masculine or feminine or neuter gender is used herein, it shall equally include the others and shall apply jointly and severally.

(y) Waiver. If Lender shall waive any provisions of the Loan Documents, or shall fail to enforce any of the conditions or provisions of this Agreement, such waiver shall not be deemed to be a continuing waiver and shall never be construed as such; and Lender shall thereafter have the right to insist upon the enforcement of such conditions or provisions. Furthermore, no provision of this Agreement shall be amended, waived, modified, discharged or terminated, except by instrument in writing signed by the parties hereto.

(z) Notices. All notices from the Borrower to Lender and Lender to Borrower required or permitted by any provision of this Agreement shall be in writing and sent by registered or certified mail, by nationally recognized overnight delivery service, by facsimile or by electronic communication (e-mail) and addressed as follows:

TO LENDER: CITY NATIONAL BANK OF FLORIDA
100 S.E. 2nd Street, 13th Floor
Miami, Florida 33131
Attention: Legal Department
E-mail: Greg.Mangram@citynational.com

TO BORROWER: VENUS CONCEPT USA INC.
235 Yorkland Blvd, Suite 900
Toronto, Ontario, Canada M2J 4Y8
Attention: Domenic Serafino, CEO
Domenic DiSisto, General Counsel
Facsimile: (855) 907-0115
E-mail: dom@venusconcept.com
Ddisisto@venusconcept.com

With a copy to:
(which shall not constitute service):

Reed Smith LLP
599 Lexington Avenue
New York, New York 10022
Attention: Mark Pedretti
Facsimile: (212) 521-5450
E-mail: mpedretti@reedsmith.com

Such addresses may be changed by such notice to the other party. Notices sent by registered or certified mail or by overnight delivery service shall be deemed given on the date of its deposit in the United States Mail and, unless sooner actually received, shall be deemed received by the party to whom it is addressed on the third calendar day following the date on which said notice is deposited in the mail, or if a courier system is used, on the date of delivery of the notice; notices sent by facsimile or by electronic communications shall be deemed given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient).

(aa) Successors and Assigns. This Agreement shall inure to the benefit of and be binding on the parties hereto and their successors and assigns; but nothing herein shall authorize the assignment hereof by the Borrower.

(bb) USA Patriot Act Notice. Lender hereby notifies Borrower and Guarantor that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), Lender is required to obtain, verify and record information that identifies Borrower and Guarantor, which information includes the name and address of Borrower and Guarantor and other information that will allow Lender to identify Borrower and Guarantor in accordance with the Act.

(cc) Counterparts, Facsimiles. This Agreement may be executed in counterparts. Each executed counterpart of this Agreement will constitute an original document, and all executed counterparts, together, will constitute the same agreement. Any counterpart evidencing signature by one party that is delivered by facsimile by such party to the other party hereto shall be binding on the sending party when such facsimile is sent.

(dd) WAIVER OF JURY TRIAL. LENDER, BORROWER AND GUARANTOR HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVE THE RIGHT ANY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS AGREEMENT AND ANY AGREEMENT TO BE CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR LENDER ENTERING INTO THIS AGREEMENT.

[CONTINUES ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, Borrower and Lender have caused this Second Amended and Restated Loan Agreement to be executed on the date first above written.

BORROWER:

VENUS CONCEPT USA INC., a Delaware corporation

By: /s/ Domenic Serafino
Domenic Serafino, as CEO

VENUS CONCEPT CANADA CORP., a Canadian corporation

By: /s/ Domenic Serafino
Domenic Serafino, as President

VENUS CONCEPT INC., a Delaware corporation

By: /s/ Domenic Serafino
Domenic Serafino, as CEO

JOINDER OF GUARANTOR

Each of the undersigned as Guarantor hereby consents to the foregoing Second Amended and Restated Loan Agreement.

GUARANTOR:

VENUS CONCEPT LTD., an Israeli corporation

By: /s/ Domenic Serafino
Domenic Serafino, as CEO

PROVINCE OF ONTARIO)
)SS:
CITY OF TORONTO)

The foregoing instrument was acknowledged before me this 4 day of March, 2020, by means of physical presence or online notarization, by Domenic Serafino, as CEO of VENUS CONCEPT USA INC., a Delaware corporation; as President of VENUS CONCEPT CANADA CORP., a Canadian corporation, as CEO of VENUS CONCEPT LTD., an Israeli corporation, and as CEO of VENUS CONCEPT INC., a Delaware corporation; on behalf of and as an act of the corporations respectively. He is personally known to me or has produced a _____ as identification, and took an oath.

/s/ Michael Mandarello
NOTARY PUBLIC
Print Name: Michael Mandarello

My Commission Expires: N/A

LENDER:

CITY NATIONAL BANK OF FLORIDA

By: /s/ Greg Mangram

Name: Greg Mangram

Title: SVP

Exhibit A
Borrowing Base Certificate

THIS SECOND AMENDED AND RESTATED GUARANTY OF PAYMENT AND PERFORMANCE AMENDS, RESTATES AND REPLACES IN ITS ENTIRETY THAT CERTAIN AMENDED AND RESTATED GUARANTY OF PAYMENT AND PERFORMANCE DATED THE 29TH DAY OF AUGUST, 2018, GIVEN BY GUARANTOR TO LENDER.

SECOND AMENDED AND RESTATED GUARANTY OF PAYMENT AND PERFORMANCE

This Second Amended and Restated Guaranty of Payment and Performance (this “Guaranty”) is made as of this 20th day of March, 2020, by VENUS CONCEPT LTD., an Israeli limited corporation (the “Guarantor”), in favor of CITY NATIONAL BANK OF FLORIDA (“Lender”).

RECITALS

VENUS CONCEPT USA INC., a Delaware corporation (“Venus USA”); VENUS CONCEPT CANADA CORP., a Canadian corporation (“Venus Canada”); and VENUS CONCEPT, INC., a Delaware corporation (“VCI”) (individually and collectively, the “Borrower”) have requested and Lender has agreed to make one or more loans to Borrower in the principal amount from time to time outstanding of TEN MILLION THOUSAND AND NO/100 DOLLARS (\$10,000,000.00) (the “Loan”), as evidenced by that certain Third Amended and Restated Revolving Promissory Note dated as of even date herewith, from Borrower in favor of Lender in the original principal amount of the Loan (as the same may be amended, restated, modified or replaced from time to time, the “Note”). Certain terms and conditions of the Loan are set forth in that certain Second Amended and Restated Loan Agreement dated as of even date herewith between Borrower and Lender (as the same may be amended, restated, modified or replaced from time to time, the “Loan Agreement”). As a condition precedent to Lender making the Loan, Lender has required Guarantor to execute and deliver this Guaranty to Lender. Any capitalized term used and not defined in this Guaranty shall have the meaning given to such term in the Loan Agreement.

AGREEMENTS

Guarantor is a subsidiary of VCI and a sub-parent of Venus USA and Venus Canada and will receive a material benefit from Lender making the Loan to Borrower. For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and in order to induce Lender to make the Loan to Borrower, Guarantor hereby guarantees to Lender the prompt and full payment of the Indebtedness described below in this Guaranty (collectively called the “Guaranteed Obligations”), this Guaranty being upon the following terms and conditions:

Section 1. Guaranty of Payment.

Guarantor hereby unconditionally and irrevocably guarantees to Lender the punctual payment when due, whether by lapse of time, by acceleration of maturity, or otherwise, of all principal, interest (including interest accruing after maturity and after the commencement of any bankruptcy or insolvency proceeding by or against Borrower, whether or not allowed in such proceeding), prepayment premiums, fees, late charges, costs, expenses, indemnification indebtedness, and other sums of money now or hereafter due and owing, or which Borrower is obligated to pay, pursuant to the terms of the Note, the Loan Agreement, the Security Agreements by and between Borrower and Lender (the “Security Agreements”), any application, agreement, note or other document executed and delivered by Borrower in connection with any Loan, or any of the other Loan Documents, including, without limitation, any letter of credit issued by Lender in connection with the Loan, as the same may from time to time be amended, supplemented, restated or otherwise modified (collectively, the “Indebtedness”). The Indebtedness includes all reasonable costs and expenses incurred by Lender in seeking to enforce Lender’s rights and remedies with respect to the Indebtedness, and to protect, defend, maintain or enforce

Lender's liens or security interests, including, without limitation, collection costs, default rates of interest, reasonable attorneys' fees and costs at trial and appellate levels and related costs, and costs of alternative dispute resolution, whether or not suit is filed or other proceedings are initiated thereon. This Guaranty covers the Indebtedness presently outstanding and the Indebtedness arising subsequent to the date hereof, including all amounts advanced by Lender in stages or installments. The guaranty of Guarantor as set forth in this Section is a continuing guaranty of payment and not a guaranty of collection.

The foregoing obligations guaranteed under this Section are defined as the "Guaranteed Payment Obligations". The Guaranteed Payment Obligations are included as part of the Guaranteed Obligations for all purposes of this Guaranty.

Section 2. Guaranty of Performance.

Guarantor hereby unconditionally and irrevocably guarantees to Lender the complete performance when due of all other Obligations of Borrower under all of the Loan Documents, including, without limiting the generality of the foregoing, all such Obligations of Borrower to duly and punctually perform and observe all other terms, covenants and conditions of the Note, the Loan Agreement, and all other Loan Documents.

The foregoing obligations guaranteed under this Section are defined as the "Guaranteed Performance Obligations." The Guaranteed Performance Obligations are included as part of the Guaranteed Obligations for all purposes of this Guaranty.

The liability and obligations under this Section shall not be limited or restricted by the existence of, or any terms of, the guaranty of payment under Section 1.

Section 3. Primary Liability of Guarantor.

(a) This Guaranty is an absolute, irrevocable and unconditional guaranty of payment and performance, and Guarantor shall be liable for the payment and performance of the Guaranteed Obligations as a primary obligor. This Guaranty shall be effective as a waiver of, and Guarantor hereby expressly waives, any right to which Guarantor may otherwise have been entitled, whether existing under statute, at law or in equity, to require Lender to take prior recourse or proceedings against any collateral, security or person. It shall not be necessary for Lender, in order to enforce such payment or performance by Guarantor, first to institute suit or pursue or exhaust any rights or remedies against Borrower or other person liable on such indebtedness or performance, or to enforce any rights against any security given to secure such indebtedness or for such performance, or to join Borrower or any other person liable for the payment or performance of the Guaranteed Obligations or any part thereof in any action to enforce this Guaranty, or to resort to any other means of obtaining payment or performance of the Guaranteed Obligations provided, however, that nothing herein contained shall prevent Lender from suing on the Note or exercising any other right under the Loan Documents.

(b) Suit may be brought or demand may be made against Borrower or against any or all parties who have signed this Guaranty or any other guaranty covering all or any part of the Guaranteed Obligations, or against any one or more of them, separately or together, without impairing the rights of Lender against any party hereto. Any time that Lender is entitled to exercise its rights or remedies hereunder, it may in its discretion elect to demand payment and/or performance. If Lender elects to demand performance, it shall at all times thereafter have the right to demand payment until all of the Guaranteed Obligations have been paid and performed in full. If Lender elects to demand payment, it shall at all times thereafter have the right to demand performance until all of the Guaranteed Obligations have been paid and performed in full.

Section 4. Certain Agreements and Waivers by Guarantor.

(a) Guarantor agrees that neither Lender's rights or remedies nor Guarantor's obligations under the terms of this Guaranty shall be released, diminished, impaired, reduced or affected by any one or more of the following events, actions, facts, or circumstances, in each case, unless the Guaranteed Obligations themselves have been changed, reduced, discharged or terminated, and the liability of Guarantor under this Guaranty shall be absolute, unconditional and irrevocable irrespective of:

- (i) any limitation on the liability of, or recourse against, any other person in any Loan Document or arising under any law;
- (ii) any claim or defense that this Guaranty was made without consideration or is not supported by adequate consideration or that the obligations of Guarantor hereunder exceed or are more burdensome than those of Borrower under the other Loan Documents;
- (iii) the taking or accepting of any other security or guaranty for, or right of recourse with respect to, any or all of the Guaranteed Obligations;
- (iv) the operation of any laws (other than statutes of limitation) regarding the limitation of actions, all of which are hereby waived as a defense to any action or proceeding brought by Lender against Guarantor, to the fullest extent permitted by law;
- (v) any homestead exemption or any other exemption under applicable law;
- (vi) any release, surrender, abandonment, exchange, alteration, sale or other disposition, subordination, deterioration, waste, failure to protect or preserve, impairment, or loss of, or any failure to create or perfect any lien or security interest with respect to, or any other dealings with, any collateral or security at any time existing or purported, believed or expected to exist in connection with any or all of the Guaranteed Obligations, or any impairment of Guarantor's recourse against any person or collateral;
- (vii) whether express or by operation of law, any partial release of the liability of Guarantor hereunder (except to the extent paid, performed or expressly so released) or any complete or partial release of Borrower or any other person liable, directly or indirectly, for the payment or performance of any or all of the Guaranteed Obligations;
- (viii) the insolvency, bankruptcy, dissolution, liquidation, termination, receivership, reorganization, merger, consolidation, change of form, structure or ownership, sale of all assets, or lack of corporate, partnership or other power of Borrower or any other person at any time liable for the payment of any or all of the Guaranteed Obligations;
- (ix) any renewal, extension, modification, supplement, subordination or rearrangement of the terms of any or all of the Guaranteed Obligations and/or any of the Loan Documents, including material alterations of the terms of payment (including changes in maturity date(s) and interest rate(s) or performance or any other terms thereof, or any waiver, termination, or release of, or consent to departure from, any of the Loan Documents or any other guaranty of any or all of the Guaranteed Obligations, or any adjustment, indulgence, forbearance, or compromise that may be granted from time to time by Lender to Borrower or any other person at any time liable for the payment or performance of any or all of the Guaranteed Obligations

(collectively “**Change**”), provided however, that the Lender has furnished the Guarantor with a prior written notice setting forth such a Change, and, provided further, that the Guarantor shall be liable to guarantee the Guaranteed Obligations, as so amended, supplemented, modified, extended, renewed waived of otherwise changed, as of the effective date of such Change;

(x) any neglect, lack of diligence, delay, omission, failure, or refusal of Lender to take or prosecute (or in taking or prosecuting) any action for the collection or enforcement of any of the Guaranteed Obligations, or to foreclose or take or prosecute any action to foreclose (or in foreclosing or taking or prosecuting any action to foreclose) upon any security therefor, or to exercise (or in exercising) any other right or power with respect to any security therefor, or to take or prosecute (or in taking or prosecuting) any action in connection with any Loan Document, or any failure to sell or otherwise dispose of in a commercially reasonable manner any collateral securing any or all of the Guaranteed Obligations;

(xi) the existence of any claim, counterclaim, set-off or other right that Guarantor may at any time have against Borrower, Lender, or any other person, whether or not arising in connection with this Guaranty, the Note, the Loan Agreement, the Security Agreement, any other Loan Document; provided, however, that the foregoing shall not be deemed a waiver of Guarantor’s right to assert any compulsory counterclaim maintained in a court of the United States or the State of Florida if such counterclaim is compelled under local law or procedure;

(xii) the unenforceability of all or any part of the Guaranteed Obligations against Borrower, whether because the Guaranteed Obligations exceed the amount permitted by law or violate any usury law, or because the persons creating the Guaranteed Obligations acted in excess of their authority, or because of a lack of validity or enforceability of or defect or deficiency in any of the Loan Documents, or because Borrower has any valid defense, claim or offset with respect thereto, or because Borrower’s obligation ceases to exist by operation of law, or because of any other reason or circumstance, it being agreed that Guarantor shall remain liable hereon regardless of whether Borrower or any other person be found not liable on the Guaranteed Obligations, or any part thereof, for any reason (and regardless of any joinder of Borrower or any other party in any action to obtain payment or performance of any or all of the Guaranteed Obligations);

(xiii) any order, ruling or plan of reorganization emanating from proceedings under Title 11 of the United States Code with respect to Borrower or any other person, including any extension, reduction, composition, or other alteration of the Guaranteed Obligations, whether or not consented to by Lender, or any action taken or omitted by Lender in any such proceedings, including any election to have Lender’s claim allowed as being secured, partially secured or unsecured, any extension of credit by Lender in any such proceedings or the taking and holding by Lender of any security for any such extension of credit;

(xiv) any other condition, event, omission, or action that would in the absence of this paragraph result in the release or discharge of the Guarantor from the performance or observance of any obligation, covenant or agreement contained in this Guaranty or any other agreement;

(xv) Lender’s enforcement or forbearance from enforcement of the Guaranteed Obligations on a net or gross basis.

(b) In the event any payment by Borrower or any other person to Lender is held to constitute a preference, fraudulent transfer or other voidable payment under any bankruptcy, insolvency or similar law, or if for any other reason Lender is required to refund such payment or pay the amount thereof to any

other party, such payment by Borrower or any other party to Lender shall not constitute a release of Guarantor from any liability hereunder, and this Guaranty shall continue to be effective or shall be reinstated (notwithstanding any prior release, surrender or discharge by Lender of this Guaranty or of Guarantor), as the case may be, with respect to, and this Guaranty shall apply to, any and all amounts so refunded by Lender or paid by Lender to another person (which amounts shall constitute part of the Guaranteed Obligations), and any interest paid by Lender and any reasonable attorneys' fees, costs and expenses paid or incurred by Lender in connection with any such event.

(c) It is the intent of Guarantor and Lender that the obligations and liabilities of Guarantor hereunder are absolute, irrevocable and unconditional under any and all circumstances and that until the Guaranteed Obligations are fully and finally paid and performed, and not subject to refund or disgorgement, the obligations and liabilities of Guarantor hereunder shall not be discharged or released, in whole or in part, by any act or occurrence that might, but for the provisions of this Guaranty, be deemed a legal or equitable discharge or release of a guarantor.

(d) Guarantor's obligations shall not be affected, impaired, lessened or released by loans, credits or other financial accommodations now existing or hereafter advanced by Lender to Borrower in excess of the Guaranteed Obligations. All payments, repayments and prepayments of the Loan, whether voluntary or involuntary, received by Lender from Borrower, any other person or any other source (other than from Guarantor pursuant to a demand by Lender hereunder), and any amounts realized from any collateral for the Loan, shall be deemed to be applied first to any portion of the Loan which is not covered by this Guaranty, and last to the Guaranteed Obligations, and this Guaranty shall bind Guarantor to the extent of any Guaranteed Obligations that may remain owing to Lender. Lender shall have the right to apply any sums paid by Guarantor to any portion of the Loan in Lender's sole and absolute discretion.

(e) If acceleration of the time for payment of any amount payable by Borrower under the Note, the Loan Agreement, or any other Loan Document is stayed or delayed by any law or tribunal, then unless similarly stayed or delayed all such amounts shall nonetheless be payable by Guarantor within 10 Business Days following receipt of a written demand from the Lender.

(f) Guarantor hereby waives and agrees not to assert or take advantage of (i) any right or claim of right to cause a marshalling of any of Borrower's assets or the assets of any other party now or hereafter held as security for the Indebtedness; (ii) the defense of laches in any action hereunder or for the payment of the Indebtedness and performance of any obligation hereby guaranteed; (iii) any defense that may arise by reason of lack of authority of Guarantor, any other guarantor of the Loan, or Borrower or any other person or entity, or the voluntary or involuntary dissolution of Borrower or Guarantor, or the failure of Lender to file or enforce a claim against the estate (either in administration, bankruptcy, or any other proceeding) of Borrower or any other person or entity; (iv) any defense based on the failure of Lender to give notice of the existence, creation, or incurring of any new or additional indebtedness or obligation, or of any action or nonaction on the part of any other person whomsoever, or any modification of the terms of the Loan Documents, or the Indebtedness, in connection with any obligation hereby guaranteed; (v) any defense based upon an election of remedies by Lender which destroys or otherwise impairs any subrogation rights of Guarantor or any other guarantor of the Loan or the right of Guarantor to proceed against Borrower or any other guarantor for reimbursement, or both; (vi) any defense based upon failure of Lender to commence an action against Borrower; (vii) any defense based upon acceptance of this Guaranty by Lender; (viii) any defense based upon the invalidity or unenforceability of any of the Loan Documents; (ix) any defense based upon any complete or partial release of liability contained in any of the Loan Documents; (x) any defense based upon any transfer by Borrower of all or any part of the collateral for the Loan; (xi) any defense based upon the failure of Lender to perfect any security or to extend or renew the perfection of any security; and (xii) any other legal or equitable defenses whatsoever to which Guarantor might otherwise be entitled.

Section 5. Subordination.

If, for any reason whatsoever, Borrower is now or hereafter becomes Indebted (as defined in the Loan Agreement) to Guarantor:

(a) such Indebtedness and all interest thereon and all liens, security interests and rights now or hereafter existing with respect to property of Borrower securing such indebtedness shall, at all times, be subordinate in all respects to the Guaranteed Obligations and to all liens, security interests and rights now or hereafter existing to secure the Guaranteed Obligations;

(b) at any time after the occurrence and during the continuation of an Event of Default, Guarantor shall not be entitled to enforce or receive payment, directly or indirectly, of any such indebtedness of Borrower to Guarantor until the Guaranteed Obligations have been fully and finally paid and performed;

(c) After the occurrence and during the continuation of an Event of Default, Guarantor shall assign and grant to Lender a security interest in all such indebtedness and security therefor, if any, of Borrower to Guarantor now existing or hereafter arising, including any dividends and payments pursuant to debtor relief or insolvency proceedings referred to below. In the event of receivership, bankruptcy, reorganization, arrangement or other debtor relief or insolvency proceedings involving Borrower as debtor, Lender shall have the right to prove its claim in any such proceeding so as to establish its rights hereunder and shall have the right to receive directly from the receiver, trustee or other custodian (whether or not an Event of Default shall have occurred or be continuing under any of the Loan Documents), dividends and payments that are payable upon any obligation of Borrower to Guarantor now existing or hereafter arising, and to have all benefits of any security therefor, until the Guaranteed Obligations have been fully and finally paid and performed. If, notwithstanding the foregoing provisions, Guarantor should receive any payment, claim or distribution that is prohibited as provided above in this Section, Guarantor shall pay the same to Lender immediately, Guarantor hereby agreeing that it shall receive the payment, claim or distribution in trust for Lender and shall have absolutely no dominion over the same except to pay it immediately to Lender; and

(d) Upon the occurrence of an Event of Default, Guarantor shall promptly upon request of Lender from time to time execute such documents and perform such acts as Lender may reasonably require to evidence and perfect its interest and to permit or facilitate exercise of its rights under this Section, including execution and delivery of proofs of claim, further assignments and security agreements, and delivery to Lender of any promissory notes or other instruments evidencing indebtedness of Borrower to Guarantor.

Section 6. Other Liability of Guarantor or Borrower.

If Guarantor is or becomes liable, by endorsement or otherwise, for any indebtedness owing by Borrower to Lender other than under this Guaranty, such liability shall not be in any manner impaired or affected hereby, and the rights of Lender hereunder shall be cumulative of any and all other rights that Lender may have against Guarantor. If Borrower is or becomes indebted to Lender for any indebtedness other than or in excess of the Guaranteed Obligations, any payment received or recovery realized upon such other indebtedness of Borrower to Lender may be applied to such other indebtedness. This Guaranty is independent of (and shall not be limited by) any other guaranty now existing or hereafter given. Further, Guarantor's liability under this Guaranty is in addition to any and all other liability Guarantor may have in any other capacity to Lender.

Section 7. [Reserved].

Section 8. Lender Assigns; Disclosure of Information.

This Guaranty is for the benefit of Lender and Lender's successors and assigns, and in the event of an assignment of the Guaranteed Obligations, or any part thereof, the rights and benefits hereunder, to the extent applicable to the Guaranteed Obligations so assigned, may be transferred with such Guaranteed Obligations. Subject to prior written notice to the Guarantor, Lender may sell or offer to sell the Loan or interests therein to one or more assignees or participants. Guarantor shall execute, acknowledge and deliver any and all instruments reasonably requested by Lender in connection therewith, and to the extent, if any, specified in any such assignment or participation, such assignee(s) or participant(s) shall have the same rights and benefits with respect to the Loan Documents as such person(s) would have if such person(s) were Lender hereunder. Lender may disclose to any such assignee or participant or prospective assignee or participant, to Lender's affiliates (in each case, provided it or they are subject to the same confidentiality obligations towards Guarantor as applicable to Lender in the Loan Documents), to any regulatory body having jurisdiction over Lender and to any other parties as necessary or appropriate in Lender's reasonable judgment, any information Lender now has or hereafter obtains pertaining to the Guaranteed Obligations, this Guaranty, or Guarantor, including information regarding any security for the Guaranteed Obligations or for this Guaranty, and/or credit or other information on Guarantor and/or any other person liable, directly or indirectly, for any part of the Guaranteed Obligations.

Section 9. Binding Effect; Joint and Several Liability.

This Guaranty is binding not only on Guarantor, but also on Guarantor's successors and assigns.

Section 10. Governing Law.

The validity, enforcement, and interpretation of this Guaranty, shall for all purposes be governed by and construed in accordance with the laws of the State of Florida and applicable United States federal law, and is intended to be performed in accordance with, and only to the extent permitted by, such laws. All obligations of Guarantor hereunder are payable and performable at the place or places where the Guaranteed Obligations are payable and performable. This Guaranty is an agreement executed under seal. If any Guarantor is a corporation, the designation "(SEAL)" on this Guaranty shall be effective as the affixing of such Guarantor's corporate seal physically to this Guaranty.

Section 11. Invalidity of Certain Provisions.

If any provision of this Guaranty or the application thereof to any person or circumstance shall, for any reason and to any extent, be declared to be invalid or unenforceable, neither the remaining provisions of this Guaranty nor the application of such provision to any other person or circumstance shall be affected thereby, and the remaining provisions of this Guaranty, or the applicability of such provision to other persons or circumstances, as applicable, shall remain in effect and be enforceable to the maximum extent permitted by applicable law.

Section 12. Costs and Expenses of Enforcement.

Guarantor agrees to pay to Lender on demand all reasonable costs and expenses incurred by Lender in seeking to enforce Lender's rights and remedies under this Guaranty, including court costs, costs of alternative dispute resolution and reasonable attorneys' fees and costs, whether or not suit is filed or other proceedings are initiated hereon. All such reasonable costs and expenses incurred by Lender shall

constitute a portion of the Guaranteed Obligations hereunder, shall be subject to the provisions hereof with respect to the Guaranteed Obligations and shall be payable by Guarantor within ten (10) business days of written demand by Lender.

Section 13. No Usury.

It is not the intention of Lender or Guarantor to obligate Guarantor to pay interest in excess of that lawfully permitted to be paid by Guarantor under applicable law. Should it be determined that any portion of the Guaranteed Obligations or any other amount payable by Guarantor under this Guaranty constitutes interest in excess of the maximum amount of interest that Guarantor, in Guarantor's capacity as guarantor, may lawfully be required to pay under applicable law, the obligation of Guarantor to pay such interest shall automatically be limited to the payment thereof in the maximum amount so permitted under applicable law. The provisions of this Section shall override and control all other provisions of this Guaranty and of any other agreement between Guarantor and Lender.

Section 14. Representations, Warranties, and Covenants of Guarantor.

Until the Guaranteed Obligations are paid and performed in full and each and every term, covenant and condition of this Guaranty is fully performed, Guarantor hereby represents, warrants, and covenants that: (a) Guarantor has a financial interest in Borrower and will derive a material and substantial benefit, directly or indirectly, from the making of the Loan to Borrower and from the making of this Guaranty by Guarantor; (b) this Guaranty is duly authorized and valid, and is binding upon and enforceable against Guarantor; (c) Guarantor is not, and the execution, delivery and performance by Guarantor of this Guaranty will not cause Guarantor to be, in violation of or in default with respect to any law or in default (or at risk of acceleration of indebtedness) under any agreement or restriction by which Guarantor is bound or affected; (d) unless Guarantor is a natural person, Guarantor is duly organized, validly existing, and in good standing under the laws of the state of its organization and has full power and authority to enter into and perform this Guaranty; (e) except as previously disclosed to Lender in writing, there is no litigation pending or, to the knowledge of Guarantor, threatened by or before any tribunal against or affecting Guarantor; (f) all financial statements and written information heretofore furnished to Lender by Guarantor do, and all financial statements and written information hereafter furnished to Lender by Guarantor will, fully and accurately, in all material aspects, present the condition (financial or otherwise) of Guarantor as of their dates and the results of Guarantor's operations for the periods therein specified; (g) after giving effect to this Guaranty, Guarantor consolidated with its subsidiaries is solvent, is not engaged or about to engage in business or a transaction for which the property of Guarantor is an unreasonably small capital, and does not intend to incur or believe that it will incur debts that will be beyond its ability to pay as such debts mature; (h) Guarantor has read and fully understands the provisions contained in the Note, the Loan Agreement, the Security Agreement and the other Loan Documents. No Loan Documents or other document, certificate or written statement (including, without limitation, any financial statements provided to Lender by Guarantor) furnished to Lender by or on behalf of Guarantor in connection with the Loan Documents contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein and therein not misleading. Guarantor acknowledges that all such statements, representations and warranties shall be deemed to have been relied upon by Lender as an inducement to make the Loan to Borrower. Guarantor's representations, warranties and covenants are a material inducement to Lender to enter into the other Loan Documents shall survive the execution hereof and any bankruptcy, foreclosure, transfer of security or other event affecting Borrower, Guarantor, any other party, or any security for all or any part of the Guaranteed Obligations.

Section 15. Notices.

All notices from the Guarantor to Lender and Lender to Guarantor required or permitted by any provision of this Guaranty shall be in writing and sent by registered or certified mail, by nationally recognized overnight delivery service, by facsimile or by electronic communication (e-mail) and addressed as follows:

TO LENDER: CITY NATIONAL BANK OF FLORIDA
100 S.E. 2nd Street, 13th Floor
Miami, FL 33131
Attention: Legal Department
E-mail: Greg.Mangram@citynational.com

TO GUARANTOR: VENUS CONCEPT LTD.
235 Yorkland Blvd, Suite 900
Toronto, Ontario, Canada M2J 4Y8
Attention: Domenic Serafino, CEO
Domenic DiSisto, General Counsel
Facsimile: (855) 907-0115
E-mail: dom@venusconcept.com
Ddisisto@venusconcept.com

With a copy to:
(which shall not constitute service):

Reed Smith LLP
599 Lexington Avenue
New York, New York 10022
Attention: Mark Pedretti
Facsimile: (212) 521-5450
E-mail: mpedretti@reedsmith.com

Such addresses may be changed by such notice to the other party. Notices sent by registered or certified mail or by overnight delivery service shall be deemed given on the date of its deposit in the United States Mail and, unless sooner actually received, shall be deemed received by the party to whom it is addressed on the third calendar day following the date on which said notice is deposited in the mail, or if a courier system is used, on the date of delivery of the notice; notices sent by facsimile or by electronic communications shall be deemed given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient).

Section 16. Cumulative Rights.

All of the rights and remedies of Lender under this Guaranty and the other Loan Documents are cumulative of each other and of any and all other rights at law or in equity, and the exercise by Lender of any one or more of such rights and remedies shall not preclude the simultaneous or later exercise by Lender of any or all such other rights and remedies. No single or partial exercise of any right or remedy shall exhaust it or preclude any other or further exercise thereof, and every right and remedy may be exercised at any time and from time to time. No failure by Lender to exercise, nor delay in exercising, any

right or remedy shall operate as a waiver of such right or remedy or as a waiver of any Event of Default. No notice to or demand on Guarantor in any case shall of itself entitle Guarantor to any other or further notice or demand in similar or other circumstances. No provision of this Guaranty or any right or remedy of Lender with respect hereto, or any default or breach, can be waived, nor can this Guaranty or Guarantor be released or discharged in any way or to any extent, except specifically in each case by a writing intended for that purpose (and which refers specifically to this Guaranty) executed and delivered by Lender to Guarantor.

Section 17. Term of Guaranty.

Without limitation of the provisions of Section 4(b) hereof, this Guaranty shall continue in effect until all the Guaranteed Obligations and all of the obligations of Guarantor to Lender under this Guaranty are fully and finally paid, performed and discharged.

Section 18. Subrogation.

Guarantor shall not have any right of subrogation under any of the Loan Documents or any right to participate in any security for the Guaranteed Obligations or any right to reimbursement, exoneration, contribution, indemnification or any similar rights, until the Guaranteed Obligations have been fully and finally paid, performed and discharged in accordance with Section 17 above, and Guarantor hereby waives all of such rights.

Section 19. [Reserved]

Section 20. [Reserved]

Section 21. Time of Essence.

Time shall be of the essence in this Guaranty with respect to all of Guarantor's obligations hereunder.

Section 22. Entire Agreement; Counterparts; Construction.

This Guaranty embodies the entire agreement between Lender and Guarantor with respect to the guaranty by Guarantor of the Guaranteed Obligations. This Guaranty supersedes all prior agreements and understandings, if any, with respect to the guaranty by Guarantor of the Guaranteed Obligations. This Guaranty shall be effective upon execution by Guarantor and delivery to Lender. This Guaranty may not be modified, amended or superseded except in a writing signed by Lender and Guarantor referencing this Guaranty by its date. This Guaranty has been executed in a number of identical counterparts, each of which shall be deemed an original for all purposes and all of which constitute, collectively, one agreement. As used herein, the words "include" and "including" shall be interpreted as if followed by the words "without limitation."

Section 23. No Third Party Beneficiary.

Except as specifically provided for herein, Guarantor and Lender do not intend the benefits of this Guaranty to inure to any third party (including Borrower) and no third party shall have any status, right or entitlement under this Guaranty.

Section 24. Forum.

Guarantor hereby irrevocably submits generally and unconditionally for itself and in respect of its property to the jurisdiction of any state court or any United States federal court sitting in Miami-Dade County, Florida. Guarantor hereby irrevocably waives, to the fullest extent permitted by law, any objection that Guarantor may now or hereafter have to the laying of venue in any such court and any claim that any such court is an inconvenient forum. Guarantor hereby agrees and consents that, in addition to any methods of service of process provided for under applicable law, all service of process in any such suit, action or proceeding in any state court or any United States federal court sitting in the state specified in the governing law section of this Guaranty may be made by certified or registered mail, return receipt requested, directed to Guarantor at its address for notice set forth in this Guaranty, or at a subsequent address of which Lender received actual notice from Guarantor in accordance with the notice section of this Guaranty, and service so made shall be complete five (5) days after the same shall have been so mailed. Nothing herein shall affect the right of Lender to serve process in any manner permitted by law or limit the right of Lender to bring proceedings against Guarantor in any other court or jurisdiction.

Section 25. **WAIVER OF JURY TRIAL.**

GUARANTOR AND LENDER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT ANY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS GUARANTY AND ANY AGREEMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR LENDER ENTERING INTO THIS AGREEMENT.

THE LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

[CONTINUES ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, Guarantor has duly executed this Second Amended and Restated Guaranty *under seal* as of the date first written above.

GUARANTOR:

VENUS CONCEPT LTD., an Israeli corporation

By: /s/ Domenic Serafino

Domenic Serafino, as CEO

AS REQUIRED BY FLORIDA LAW, FLORIDA DOCUMENTARY STAMP TAXES IN THE AMOUNT OF \$2,450.00 ARE BEING PAID IN CONNECTION WITH THIS THIRD AMENDED AND RESTATED REVOLVING PROMISSORY NOTE AS VENUS CONCEPT INC. IS BEING ADDED AS A BORROWER HERETO.

THIRD AMENDED AND RESTATED REVOLVING PROMISSORY NOTE

Date of Note: March 20, 2020

Amount of Note: TEN MILLION AND NO/100 DOLLARS (\$10,000,000.00)

Maturity Date: April 25, 2021, unless otherwise extended and/or accelerated pursuant to and in accordance with the terms and conditions set forth in this Note or extended as provided herein.

FOR VALUE RECEIVED, VENUS CONCEPT USA INC., a Delaware corporation (“Venus USA”); VENUS CONCEPT CANADA CORP., an Ontario corporation (“Venus Canada”); and VENUS CONCEPT INC., a Delaware corporation (“VCI”), jointly and severally (collectively, the “Borrower”) hereby covenants and promises to pay to the order of CITY NATIONAL BANK OF FLORIDA, its successors and/or assigns (the “Lender”), at 100 S.E. 2nd Street, 13th Floor, Miami, Florida 33131, or at such other place as Lender may designate to Borrower in writing from time to time, in legal tender of the United States, TEN MILLION AND NO/100 DOLLARS (\$10,000,000.00), together with all accrued interest, which shall be due and payable upon the following terms and conditions contained in this Third Amended and Restated Revolving Promissory Note (this “Note”) and the Loan Agreement (as defined herein).

A. Interest Rate:

- (i) From the date hereof until and including the Maturity Date, Borrower may borrow, repay and re-borrow, and Lender shall advance and re-advance under this Note from time to time, so long as the total principal balance outstanding at any one time does not exceed the principal amount stated on the face of this Note. Lender’s obligation to make advances under this Note shall terminate upon the earlier to occur of: (i) an Event of Default under this Note, or (ii) the Maturity Date.
- (ii) Interest shall accrue on the unpaid principal balance of this Note from the date hereof at a rate per annum equal to the LIBOR 30-Day Rate (as defined below), plus 3.25% (the “LIBOR Margin”) (the “Interest Rate”).
- (iii) As used herein, “LIBOR 30-Day Rate” means the rate of interest per annum equal to the London Interbank Offered Rate (“LIBOR”) for thirty (30) day U.S. dollar deposits as published in the “Money Rates” column of the New York edition of The Wall Street Journal. If such rate is no longer available, Lender shall choose a new LIBOR Rate based on comparable information. If more than one rate is quoted, Lender shall use the arithmetic average of such rates. This rate will be effective on and from the date hereof, based on the most recent rate information available, and will be effective until February 29, 2020. On March 1, 2020, the interest rate shall be readjusted to the current LIBOR 30-Day Rate plus the LIBOR Margin based on the most recent rate information available on the date that the interest rate is adjusted and such rate shall be effective until March

31, 2020. The rate shall thereafter be adjusted on the first (1st) day of each calendar month thereafter at the then current LIBOR 30-Day Rate plus the LIBOR Margin based on the most recent rate information available on the date that the interest rate is adjusted.

- (iv) Interest shall be calculated at the rate of 1/360 of the annual rate of interest for each day that principal is outstanding (i.e., interest will accrue and be paid on the actual number of calendar days elapsed from the date hereof based on a 360 day year).

B. Payment Terms:

Commencing on March 25, 2020 and continuing on the twenty-fifth (25th) day of each month thereafter, Borrower shall make consecutive monthly payments of accrued interest only. Unless this Note is otherwise accelerated in accordance with the terms and conditions hereof, the entire outstanding principal balance of this Note plus all accrued interest shall be due and payable in full on April 25, 2021 (the "Maturity Date").

C. Security:

This Note is secured pursuant to that Security Agreement of even date herewith from VCI and those certain Amended and Restated Security Agreements dated as of August 29, 2018, from Venus USA, Venus Canada and Guarantor (defined hereinafter below) all in favor of Lender (as the same may be amended or modified from time to time, collectively, the "Security Agreement"), granting Lender a lien and security interest in and to certain personal property, as more particularly described in the Security Agreements and those certain applicable UCC-1 and PPSA.

D. Loan Documents:

This Note, the Security Agreement, that certain Second Amended and Restated Loan Agreement dated of even date herewith by and between Borrower and Lender (as the same may be amended, restated, modified or replaced from time to time, the "Loan Agreement"), that certain Second Amended and Restated Guaranty of Payment and Performance dated within forty-five (45) days following the date hereof from VENUS CONCEPT LTD., an Israeli corporation (the "Guarantor") in favor of Lender (as the same may be amended, restated, modified or replaced from time to time, the "Guaranty"), and all other documents and instruments executed by the Borrower or the Parent in connection with this Note are hereinafter individually and/or collectively referred to as the "Loan Documents".

E. Default Interest Rate:

All principal and installments of interest shall bear interest from the date that said payments are due and unpaid or from the date of occurrence of any other Event of Default (as hereinafter defined) at a rate equal to the highest rate authorized by applicable law (the "Default Rate").

F. Prepayment/Prepayment Compensation:

The Borrower may prepay all or any portion of this Note at any time without fee, premium or penalty.

G. Late Charges:

Lender may collect a late charge not to exceed an amount equal to five percent (5%) of any installment which is not paid within ten (10) days of the due date thereof, to cover the extra expense

involved in handling delinquent payments, provided that collection of said late charge shall not be deemed a waiver by Lender of any of its rights under this Note. Notwithstanding the foregoing, there shall be no grace period or late charges for payments due on the outstanding principal balance due on the Maturity Date or upon acceleration, as set forth in Section H below, but such outstanding balance shall accrue interest at the Default Rate. The late charge is intended to compensate the Lender for administrative and processing costs incident to late payments. The late charge payments are not interest. The late charge payment shall not be subject to rebate or credit against any other amount due. Any late charge shall be in addition to any other interest due.

H. Default and Acceleration:

If any of the "Events of Default" defined in the Loan Agreement occur, at the Lender's option, exercisable in its sole discretion by written notice to the Borrower to such effect, all sums of principal and interest under this Note shall be accelerated and become immediately due and payable, and the Lender shall be immediately entitled to exercise all of its available remedies under the Loan Documents.

In any such event, all sums of principal and interest under this Note shall automatically become immediately due and payable. The Borrower expressly consents to any extension or renewal, in whole or in part, and all delays in time of payment or other performance which Lender may grant at any time and from time to time without limitation and without any notice or further consent of the undersigned.

The remedies of Lender as provided herein, or in the Security Agreement, the Loan Agreement or the other Loan Documents shall be cumulative and concurrent and may be pursued singularly, successively or together, at the sole discretion of Lender, and may be exercised as often as the occasion therefor shall arise.

The Lender may, in the sole discretion of Lender, accept payments made by Borrower after any Event of Default has occurred, without waiving any of Lender's rights herein.

I. Costs:

In the event that this Note is collected by law or through attorneys at law, or under advice therefrom (whether such attorneys are employees of Lender or an affiliate of Lender or are outside counsel), Borrower and any guarantor for payment hereof hereby, severally and jointly agree to pay all reasonable costs of collection, including attorneys' fees, including reasonable charges for paralegals, appraisers, experts and consultants working under the direction or supervision of Lender's attorneys costs for evaluating preserving or disposing of any collateral granted as security for payment of this Note, including the costs of any audits, environmental inspections which Lender may reasonably deem necessary from time to time; any premiums for property insurance purchased on behalf of Borrower or on behalf of the owners of any collateral pursuant to any Security Agreement relating to any collateral, or any other charges permitted by applicable law whether or not suit is brought, and whether incurred in connection with collection, trial, appeal, bankruptcy or other creditors' proceedings or otherwise.

J. Loan Charges:

Nothing herein contained, nor any transaction related thereto, shall be construed or so operate as to require Borrower or any person liable for the repayment of same, to pay interest in an amount or at a

rate greater than the maximum allowed by applicable law. Should any interest or other charges paid by Borrower, or any parties liable for the payment of the loan made pursuant to this Note, result in the computation or earning of interest in excess of the maximum legal rate of interest permitted under the law in effect while said interest is being earned, then any and all of such excess shall be and is waived by Lender, and all such excess shall be automatically credited against and in reduction of the principal balance, and any portion of the excess that exceeds the principal balance shall be paid by Lender to Borrower or any parties liable for the payment of the loan made pursuant to this Note so that under no circumstances shall the Borrower, or any parties liable for the payment of the loan hereunder, be required to pay interest in excess of the maximum rate allowed by applicable law.

K. Jurisdiction:

The laws of the State of Florida shall govern the interpretation and enforcement of this Note. In the event that legal action is instituted to collect any amounts due under, or to enforce any provision of, this instrument, Borrower and any endorser, guarantor or other person primarily or secondarily liable for payment hereof consent to, and by execution hereof submit themselves to, the jurisdiction of the courts of the State of Florida, and, notwithstanding the place of residence of any of them or the place of execution of this instrument, such litigation may be brought in or transferred to a court of competent jurisdiction in and for Miami-Dade County, Florida.

L. Assignment:

Subject to prior written notice to Borrower, Lender shall have the unrestricted right at any time and from time to time and without Borrower's or Guarantor's consent, to assign all or any portion of its rights and obligations hereunder to one or more lenders or Purchasers (each, an "Assignee") under this Note and the Loan Documents and all information now or hereafter in its possession relating to the Borrower and all Guarantors (all rights of privacy hereby being waived, and to retain any compensation received by Lender in connection with any such transaction and Borrower and Guarantor agrees that it shall execute such documents, including without limitation, the delivery of an estoppels certificate and such other documents as Lender shall reasonably deem necessary to effect the foregoing. The Borrower hereby agrees to be bound by the terms of the Amended and Restated Note subsequent to any transfer and agrees that the terms of the Amended and Restated Note maybe fully enforced by any subsequent holder of this Note.

M. Non-Waiver:

The failure at any time of Lender to exercise any of its options or any other rights hereunder shall not constitute a waiver thereof, nor shall it be a bar to the exercise of any of its options or rights at a later date. All rights and remedies of Lender shall be cumulative and may be pursued singly, successively or together, at the option of Lender.

N. Right of Setoff:

In addition to all liens upon and rights of setoff against the Borrower's money, securities or other property given to the Lender by law, the Lender shall have, with respect to the Borrower's obligations to the Lender under this Note and to the extent permitted by law, a contractual possessory security interest in and a contractual right of setoff against, and the Borrower hereby grants the Lender a security interest in, and hereby assigns, conveys, delivers, pledges and transfers to the Lender, all of the Borrower's right, title and interest in and to, all of the Borrower's deposits, moneys, securities and other property now or

hereafter in the possession of or on deposit with, or in transit to, the Lender, whether held in a general or special account or deposit, whether held jointly with someone else, or whether held for safekeeping or otherwise, excluding, however, all IRA, Keogh, and trust accounts, resident prepayments, and such other funds as government agencies may require for resident care. Every such security interest and right of setoff may be exercised subject to prior notice to the Borrower. Every such right of setoff shall be deemed to have been exercised immediately upon the occurrence of an Event of Default hereunder without any action of the Lender, although the Lender may enter such set off on its books and records at a later time.

O. Miscellaneous:

1. TIME IS OF THE ESSENCE OF THIS NOTE.
2. It is agreed that the granting to Borrower or any other party of an extension or extensions of time for the payment of any sum or sums due under this Note or under the Security Agreement or for the performance of any covenant or stipulation thereof or the taking of other or additional security shall not in any way release or affect the liability of Borrower under this Note or any of the Loan Documents.
3. This Note may not be changed orally, but only by an agreement in writing, signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.
4. [Reserved].
5. Notwithstanding anything herein to the contrary, the obligations of Borrower under this Note shall be subject to the limitation that payments of interest shall not be required to the extent that receipt of any such payment by Lender would be contrary to provisions of law applicable to Lender limiting the maximum rate of interest which may be charged or collected by Lender. In the event that any charge, interest or late charge is above the maximum rate provided by law, then any excess amount over the lawful rate shall be applied by Lender to reduce the principal sum of the Loan or any other amounts due Lender hereunder.
6. Borrower acknowledges that Lender shall have no obligation whatsoever to renew, modify or extend this Note or to refinance the indebtedness under this Note upon the maturity thereof, except as specifically provided herein.
7. Lender shall have the right to accept and apply to the outstanding balance of this Note and all payments or partial payments received from Borrower after the due date therefor, whether this Note has been accelerated or not, without waiver of any of Lender's rights to continue to enforce the terms of this Note and to seek any and all remedies provided for herein or in any instrument securing the same, including, but not limited to, the right to foreclose on such security.
8. All amounts received by Lender shall be applied to expenses, late fees and interest before principal or in any other order as determined by Lender, in its sole discretion, as permitted by law.

9. Borrower shall not assign Borrower's rights or obligations under this Note without Lender's prior consent.
10. The term "Borrower" as used herein, in every instance shall include the makers of this Note, and its successors, and assigns, and shall denote the singular and/or plural, the masculine and/or feminine, and natural and/or artificial persons whenever and wherever the context so requires or admits.
11. If more than one party executes this Note, all such parties shall be jointly and severally liable for the payment of this Note.
12. If any clause or provision herein contained operates or would prospectively operate to invalidate this Note in part, then the invalid part of said clause or provision only shall be held for naught, as though not contained herein, and the remainder of this Note shall remain operative and in full force and effect.

P. Waiver of Jury Trial:

BORROWER AND LENDER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EITHER MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS NOTE AND ANY AGREEMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF EITHER PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR LENDER TO EXTEND TO BORROWER THE LOAN EVIDENCED BY THIS NOTE.

This Note amends, restates and replaces that certain Second Amended and Restated Revolving Promissory Note dated as of April 25, 2019, by Borrower and in favor of Lender in the original principal amount of \$10,000,000, in its entirety.

[SIGNATURE ON PAGE TO FOLLOW]

Borrower has duly executed this Note effective as of the date set forth hereinabove.

BORROWER:

VENUS CONCEPT USA INC.

By: /s/ Domenic Serafino

Name: Domenic Serafino

Title: Chief Executive Officer

VENUS CONCEPT CANADA CORP.

By: /s/ Domenic Serafino

Name: Domenic Serafino

Title: President

VENUS CONCEPT INC.

By: /s/ Domenic Serafino

Name: Domenic Serafino

Title: Chief Executive Officer

SECURITY AGREEMENT

This SECURITY AGREEMENT dated as of March 20, 2020 (the “Security Agreement”), is executed by **VENUS CONCEPT INC.**, a Delaware corporation, whose address is 235 Yorkland Blvd., Suite 900, Toronto, Ontario, Canada M2J 4Y8 (the “Debtor”), and CITY NATIONAL BANK OF FLORIDA, whose address is 100 S.E. 2nd Street, 13th Floor, Miami, FL 33131 (the “Bank”).

RECITALS:

A. Debtor, requested and Bank agreed to make a revolving loan in the maximum principal amount of TEN MILLION AND NO/100 DOLLARS (\$10,000,000.00) to the Debtor, Venus Concept USA Inc. (“Venus USA”) and Venus Concept Canada Corp. (“Venus Canada”) which shall be used to finance working capital requirements for Borrower and for other corporate purposes.

B. As a condition to the Bank’s loaning funds or providing other financial accommodations to the Debtor, the Bank requires that the Debtor enter into this Security Agreement in order to secure the obligations and performance of the Debtor under such loans or financial accommodations.

NOW THEREFORE, in consideration of the premises, and the mutual covenants and agreements set forth herein, the Debtor and the Bank hereby agree as follows:

AGREEMENTS:

Section 1 DEFINITIONS.

1.1 Defined Terms. For the purposes of this Security Agreement, the following capitalized words and phrases shall have the meanings set forth below.

“Affiliate” of the Bank shall mean any entity which, directly or indirectly, controls or is controlled by or is under common control with the Bank. An entity shall be deemed to be “controlled by” another entity if such other entity possesses, directly or indirectly, power to direct or cause the direction of the management and policies of such entity whether by contract, ownership of voting securities, membership interests or otherwise.

“Bank Product Agreements” shall mean those certain cash management service agreements entered into from time to time by an Obligor with the Bank or any Affiliate of the Bank concerning Bank Products.

“Bank Product Obligations” shall mean all obligations, liabilities, contingent reimbursement obligations, fees, and expenses owing by an Obligor to the Bank or any Affiliate of the Bank pursuant to or evidenced by the Bank Product Agreements and irrespective of whether for the payment of money, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising.

“Bank Products” shall mean any service or facility extended to an Obligor by the Bank or any Affiliate of the Bank, including: (a) credit cards, (b) credit card processing services, (c) debit cards, (d) purchase cards, (e) ACH transactions, (f) cash management, including controlled disbursement, accounts or services.

“Bankruptcy Code” shall mean the United States Bankruptcy Code, as now existing or hereafter amended.

“Borrower” shall mean collectively the Debtor, Venus USA and Venus Canada.

“Business Day” shall mean any day other than a Saturday, Sunday or a legal holiday on which banks are authorized or required to be closed for the conduct of commercial banking business in Miami, Florida.

“Capital Lease” shall mean, as to any Person, a lease of any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible, by such Person, as lessee, that is, or should be, in accordance with Financial Accounting Standards Board Statement No. 13, as amended from time to time, or, if such statement is not then in effect, such statement of GAAP as may be applicable, recorded as a “capital lease” on the financial statements of such Person prepared in accordance with GAAP.

“Capital Securities” shall mean, with respect to any Person, all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) of such Person’s capital, whether now outstanding or issued or acquired after the date hereof, including common shares, preferred shares, membership interests in a limited liability company, limited or general partnership interests in a partnership or any other equivalent of such ownership interest.

“Capitalized Lease Obligations” shall mean, as to any Person, all rental obligations of such Person, as lessee under a Capital Lease which are or will be required to be capitalized on the books of such Person.

“Collateral” shall have the meaning set forth in Section 2.1 hereof.

“Collateral Access Agreement” shall mean an agreement in form and substance reasonably satisfactory to the Bank pursuant to which a mortgagee or lessor of real property on which Collateral is stored or otherwise located, or a warehouseman, processor or other bailee of Inventory or other property owned by the Debtor of any Subsidiary, acknowledges the Liens of the Bank and waives any Liens held by such Person on such property, and, in the case of any such agreement with a mortgagee or lessor, permits the Bank reasonable access to and use of such real property following the occurrence and during the continuance of an Event of Default to assemble, complete and sell any collateral stored or otherwise located thereon.

“Default Rate” shall mean a per annum rate of interest equal to the highest rate authorized by applicable law (the “Default Rate”).

“ERISA” shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time.

“Event of Default” shall have the mean set forth in the Loan Agreement.

“Excluded Property” shall mean, with respect to any Borrower: (a) any personal property

(including, without limitation, motor vehicles) in respect of which perfection of a Lien is not governed by the Uniform Commercial Code, (b) any permit, lease, license, contract or other agreement if the grant of a security interest in such permit, lease, license, contract or other agreement in the manner contemplated by the Loan Documents, under the terms thereof or under applicable law or regulation, is prohibited and would result in the termination thereof or give the other parties thereto the right to terminate, accelerate or otherwise alter such Borrower’s rights, titles and interests thereunder (including upon the giving of notice or the lapse of time or both); provided, that, (i) any such limitation described in the foregoing clause (b) on the security interests granted under the Loan Documents shall only apply to the extent that any such

prohibition is not rendered ineffective pursuant to the Uniform Commercial Code that has the effect of permitting the grant of a security interest and preventing any termination, acceleration or alteration of such Borrower's rights, titles and interests thereunder as a result of such grant of a security interest and (ii) in the event of the termination or elimination of any such prohibition or the requirement for any consent contained in any applicable law, regulation, permit, lease, license, contract or other agreement, or upon the granting of any such consent, or waiving or terminating any requirement for such consent, a security interest in such permit, lease, license, contract or other agreement shall be automatically and simultaneously granted under the Loan Documents and such permit, lease, license, contract or other agreement shall be included as Collateral, (c) any equity interests in any Subsidiaries, and (d) any assets that are not collateral pledged and perfected under the Madryn Loan Documents (as defined in the Third Amended and Restated Intercreditor Agreement).

"GAAP" shall mean generally accepted accounting principles set forth from time to time in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar functions of comparable stature and authority within the U.S. accounting profession), which are applicable to the circumstances as of the date of determination, provided, however, that interim financial statements or reports shall be deemed in compliance with GAAP despite the absence of footnotes and fiscal year-end adjustments as required by GAAP.

"Hedging Agreements" shall mean any interest rate, currency or commodity swap agreement, cap agreement or collar agreement, and any other agreement or arrangement designed to protect a Person against fluctuations in interest rates, currency exchange rates or commodity prices.

"Hedging Obligation" shall mean, with respect to any Person, any liability of such Person under any Hedging Agreement.

"Letter of Credit" and "Letters of Credit" shall mean, respectively, a letter of credit and all such letters of credit issued by the Bank, in its sole discretion, for the account of an Obligor.

"Lien" shall have the meaning in the Loan Agreement.

"Loan Agreement" shall mean that certain Second Amended and Restated Loan Agreement dated as of even date herewith as amended from time to time by and between Borrower and Bank.

"Loan Documents" shall mean the Loan Agreement, the Third Amended and Restated Revolving Promissory Note and each of the agreements and instruments from time to time executed and delivered by an Obligor for the benefit of the Bank in connection with the Obligations, and all amendments, restatements, supplements and other modifications thereto.

"Material Adverse Effect" shall have the meaning in the Loan Agreement.

"Note" shall mean that certain Third Amended and Restated Revolving Promissory Note dated as of even date herewith as amended from time to time from Borrower to the order of Bank in the principal amount of \$10,000,000.00.

"Obligations" shall mean all loans or other obligations arising pursuant to (a) (i) the Note, and (ii) the Loan Agreement, all interest accrued thereon (including interest which would be payable as post-petition in connection with any bankruptcy or similar proceeding, whether or not permitted as a claim thereunder), any fees due the Bank under the Loan Documents, any expenses incurred by the Bank

under the Loan Documents, (b) any and all other liabilities and obligations of an Obligor to the Bank under any reimbursement obligations of an Obligor to Bank in respect of Letters of Credit and surety bonds, which are owed by an Obligor to the Bank or any Affiliate of the Bank, and (c) all Bank Product Obligations of an Obligor, in each of (a), (b) and (c) howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, now or hereafter existing, or due or to become due, together with any and all renewals or extensions thereof.

“Obligor” shall mean the Borrower and any guarantor with respect to the Obligations.

“Organizational Identification Number” means, with respect to Debtor, the organizational identification number assigned to Debtor by the applicable governmental unit or agency of the jurisdiction of organization of the Debtor.

“Permitted Liens” shall have the meaning in the Loan Agreement.

“Person” shall have the meaning in the Loan Agreement.

“Subsidiary” and “Subsidiaries” shall mean, respectively, with respect to any Person, each and all such corporations, partnerships, limited partnerships, limited liability companies, limited liability partnerships, joint ventures or other entities of which or in which such Person owns, directly or indirectly, such number of outstanding Capital Securities as have more than fifty percent (50.00%) of the ordinary voting power for the election of directors or other managers of such corporation, partnership, limited liability company or other entity. Unless the context otherwise requires, each reference to Subsidiaries herein shall be a reference to Subsidiaries of the Borrower.

“UCC” shall mean the Uniform Commercial Code in effect in the state of Florida from time to time.

1.2 Other Terms Defined in UCC or Loan Agreement. All other capitalized words and phrases used herein and not otherwise specifically defined herein shall have the respective meanings assigned to such terms in the UCC, to the extent the same are used or defined therein, and otherwise in the Loan Agreement.

1.3 Other Interpretive Provisions.

(a) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms. Whenever the context so requires, the neuter gender includes the masculine and feminine, the single number includes the plural, and vice versa, and in particular the word “Debtor” shall be so construed.

(b) Section and Schedule references are to this Security Agreement unless otherwise specified. The words “hereof”, “herein” and “hereunder” and words of similar import when used in this Security Agreement shall refer to this Security Agreement as a whole and not to any particular provision of this Security Agreement.

(c) The term “including” is not limiting, and means “including, without limitation”.

(d) In the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including”; the words “to” and “until” each mean “to but excluding”, and the word “through” means “to and including”.

(e) Unless otherwise expressly provided herein, (i) references to agreements (including this Security Agreement and the other Loan Documents) and other contractual instruments shall be deemed to include all subsequent amendments, restatements, supplements and other modifications thereto, but only to the extent such amendments, restatements, supplements and other modifications are not prohibited by the terms of any Loan Document, and (ii) references to any statute or regulation shall be construed as including all statutory and regulatory provisions amending, replacing, supplementing or interpreting such statute or regulation.

(f) To the extent any of the provisions of the other Loan Documents are inconsistent with the terms of this Security Agreement, the provisions of this Security Agreement shall govern.

(g) This Security Agreement and the other Loan Documents may use several different limitations, tests or measurements to regulate the same or similar matters. All such limitations, tests and measurements are cumulative and each shall be performed in accordance with its terms.

The provisions and requirements of this Security Agreement, the Loan Agreement and the Loan Documents are subject to the applicable provisions of the Intercreditor Agreement, notwithstanding any contrary provisions in this Security Agreement, the Loan Agreement or the Loan Documents.

Section 2 SECURITY FOR THE OBLIGATIONS.

2.1 Security for Obligations. As security for the payment and performance of the Obligations, the Debtor does hereby pledge, assign, transfer, deliver and grant to the Bank, for its own benefit and as agent for its Affiliates, a continuing security interest in and to any and all personal property of the Debtor, of any kind or description, tangible or intangible, wheresoever located and whether now existing or hereafter arising or acquired, including the following (all of which property, along with the products and proceeds therefrom, are individually and collectively referred to as the "Collateral" provided however, that the Collateral shall not include the Debtor's or any of its affiliates' intellectual property or any other Excluded Property):

(a) all property of, or for the account of, the Debtor now or hereafter coming into the possession, control or custody of, or in transit to, the Bank or any agent or bailee for the Bank or any parent, affiliate or subsidiary of the Bank or any participant with the Bank in the Obligations (whether for safekeeping, deposit, collection, custody, pledge, transmission or otherwise), including all earnings, dividends, interest, or other rights in connection therewith and the products and proceeds therefrom, including the proceeds of insurance thereon; and

(b) the additional property of the Debtor, whether now existing or hereafter arising or acquired, and wherever now or hereafter located, together with all additions and accessions thereto, substitutions, betterments and replacements therefor, products and Proceeds therefrom, and all of the Debtor's books and records and recorded data relating thereto (regardless of the medium of recording or storage), together with all of the Debtor's right, title and interest in and to all computer software required to utilize, create, maintain and process any such records or data on electronic media, identified and set forth as follows:

- (i) All Accounts and all Goods whose sale, lease or other disposition by the Debtor has given rise to Accounts and have been returned to, or repossessed or stopped in transit by, the Debtor, or rejected or refused by an Account Debtor;
- (ii) All Inventory, including raw materials, work-in-process and finished goods;
- (iii) All Goods (other than Inventory), including embedded software, Equipment, vehicles, furniture and Fixtures;
- (iv) All Software and computer programs;
- (v) All Securities, Investment Property, Financial Assets and Deposit Accounts;
- (vi) All Chattel Paper, Electronic Chattel Paper, Instruments, Documents, Letter of Credit Rights, all proceeds of letters of credit, Health-Care-Insurance Receivables, Supporting Obligations, notes secured by real estate, Commercial Tort Claims and General Intangibles, including Payment Intangibles; and
- (vii) All Proceeds (whether Cash Proceeds or Noncash Proceeds) of the foregoing property, including all insurance policies and proceeds of insurance payable by reason of loss or damage to the foregoing property, including unearned premiums, and of eminent domain or condemnation awards.

2.2 Possession and Transfer of Collateral. Until an Event of Default has occurred hereunder, the Debtor shall be entitled to possession or use of the Collateral (other than Instruments or Documents (including Tangible Chattel Paper and Investment Property consisting of certificated securities) and other Collateral required to be delivered to the Bank pursuant to this Section 2. The cancellation or surrender of any promissory note evidencing an Obligation, upon payment or otherwise, shall not affect the right of the Bank to retain the Collateral for any other of the Obligations.

2.3 Financing Statements. The Debtor shall, at the Bank's request, at any time and from time to time, and subject to the Third Amended and Restated Intercreditor Agreement, execute and deliver to the Bank such financing statements, amendments and other documents and do such acts as the Bank deems necessary in order to establish and maintain valid, attached and perfected first priority security interests in the Collateral in favor of the Bank, for its own benefit and as agent for its Affiliates, free and clear of all Liens except Permitted Liens. The Debtor hereby irrevocably authorizes the Bank at any time, and from time to time, to file in any jurisdiction any initial financing statements and amendments thereto without the signature of the Debtor that (a) indicate the Collateral (i) is comprised of all assets of the Debtor or words of similar effect, regardless of whether any particular asset comprising a part of the Collateral falls within the scope of Article 9 of the Uniform Commercial Code of the jurisdiction wherein such financing statement or amendment is filed, or (ii) as being of an equal or lesser scope or within greater detail as the grant of the security interest set forth herein, and (b) contain any other information required by Section 5 of Article 9 of the Uniform Commercial Code of the jurisdiction wherein such financing statement or amendment is filed regarding the sufficiency or filing office acceptance of any financing statement or amendment, including (i) whether the Debtor is an organization, the type of organization and any Organizational Identification Number issued to the Debtor, and (ii) in the case of a financing statement filed as a fixture filing or indicating Collateral as as-extracted collateral or timber to be cut, a sufficient description of the real property to which the Collateral relates. The Debtor hereby agrees that a photogenic or other reproduction of this Security Agreement is sufficient for filing as a

financing statement and the Debtor authorizes the Bank to file this Security Agreement as a financing statement in any jurisdiction. The Debtor agrees to furnish any such information to the Bank promptly upon request. The Debtor further ratifies and affirms its authorization for any financing statements and/or amendments thereto, executed and filed by the Bank in any jurisdiction prior to the date of this Security Agreement. In addition, the Debtor shall make appropriate entries on its books and records disclosing the security interests of the Bank, for its own benefit and as agent for its Affiliates, in the Collateral.

2.4 Preservation of the Collateral. The Bank may, but is not required, to take such actions from time to time as the Bank deems appropriate to maintain or protect the Collateral. The Bank shall have exercised reasonable care in the custody and preservation of the Collateral if the Bank takes such action as the Debtor shall reasonably request in writing which is not inconsistent with the Bank's status as a secured party, but the failure of the Bank to comply with any such request shall not be deemed a failure to exercise reasonable care; provided, however, the Bank's responsibility for the safekeeping of the Collateral shall (i) be deemed reasonable if such Collateral is accorded treatment substantially equal to that which the Bank accords its own property, and (ii) not extend to matters beyond the control of the Bank, including acts of God, war, insurrection, riot or governmental actions. In addition, any failure of the Bank to preserve or protect any rights with respect to the Collateral against prior or third parties, or to do any act with respect to preservation of the Collateral, not so requested by the Debtor, shall not be deemed a failure to exercise reasonable care in the custody or preservation of the Collateral, absent Bank's gross negligence or willful misconduct. The Debtor shall have the sole responsibility for taking such action as may be necessary, from time to time, to preserve all rights of the Debtor and the Bank in the Collateral against prior or third parties. Without limiting the generality of the foregoing, where Collateral consists in whole or in part of securities, the Debtor represents to, and covenants with, the Bank that the Debtor has made arrangements for keeping informed of changes or potential changes affecting the securities (including rights to convert or subscribe, payment of dividends, reorganization or other exchanges, tender offers and voting rights), and the Debtor agrees that the Bank shall have no responsibility or liability for informing the Debtor of any such or other changes or potential changes or for taking any action or omitting to take any action with respect thereto.

2.5 Other Actions as to any and all Collateral. The Debtor further agrees to take any other action reasonably requested by the Bank to ensure the attachment and perfection of, and the ability of the Bank to enforce, the security interest of the Bank, for its own benefit and as agent for its Affiliates, in any and all of the Collateral, including (a) complying with any provision of any statute, regulation or treaty of the United States as to any Collateral if compliance with such provision is a condition to attachment, perfection or priority of, or ability of the Bank to enforce, the security interest of the Bank, for its own benefit and as agent for its Affiliates, in such Collateral, (b) to the extent required under the Loan Agreement, obtaining waivers from mortgagees and landlords in form and substance reasonably satisfactory to the Bank, and (c) taking all actions required by the UCC in effect from time to time or by other law, as applicable in any relevant UCC jurisdiction, or by other law as applicable in any foreign jurisdiction. The Debtor further agrees to indemnify and hold the Bank harmless against claims of any Persons not a party to this Security Agreement concerning disputes arising over the Collateral, absent Bank's gross negligence or willful misconduct.

2.6 Collateral in the Possession of a Warehouseman or Bailee. If any material portion of the Collateral at any time is in the possession of a warehouseman or bailee, the Debtor shall promptly notify the Bank thereof, and shall promptly use commercially reasonable efforts at Bank's request to obtain a Collateral Access Agreement. If any Inventory to be counted as Eligible Inventory is in the possession of a warehouseman or bailee, the Debtor shall comply with the terms of the Loan Agreement with respect thereto.

2.7 Letter-of-Credit Rights. If the Debtor at any time is a beneficiary under a letter of credit now or hereafter issued in favor of the Debtor, the Debtor shall promptly notify the Bank thereof and, at the request and option of the Bank, the Debtor shall, pursuant to an agreement in form and substance satisfactory to the Bank, either (i) arrange for the issuer and any confirmer of such letter of credit to consent to an assignment to the Bank, for its own benefit and as agent for its Affiliates, of the proceeds of any drawing under the letter of credit, or (ii) arrange for the Bank, for its own benefit and as agent for its Affiliates, to become the transferee beneficiary of the letter of credit, with the Bank agreeing, in each case, that the proceeds of any drawing under the letter to credit are to be applied as provided in this Security Agreement.

2.8 Commercial Tort Claims. If the Debtor shall at any time hold or acquire a Commercial Tort Claim, the Debtor shall promptly notify the Bank in writing signed by the Debtor of the details thereof and grant to the Bank for its own benefit and as agent for its Affiliates, in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Security Agreement, in each case in form and substance satisfactory to the Bank, and shall execute any amendments thereto deemed reasonably necessary by the Bank to perfect the security interest of the Bank, for its own benefit and as agent for its Affiliates, in such Commercial Tort Claim.

2.9 Electronic Chattel Paper and Transferable Records. If the Debtor at any time holds or acquires an interest in any electronic chattel paper or any “transferable record”, as that term is defined in Section 201 of the federal Electronic Signatures in Global and National Commerce Act, or in Section 16 of the Uniform Electronic Transactions Act as in effect in any relevant jurisdiction, the Debtor shall promptly notify the Bank thereof and, at the request of the Bank, shall take such action as the Bank may reasonably request to vest in the Bank control under Section 9-105 of the UCC of such electronic chattel paper or control under Section 201 of the federal Electronic Signatures in Global and National Commerce Act or, as the case may be, §16 of the Uniform Electronic Transactions Act, as so in effect in such jurisdiction, of such transferable record. The Bank agrees with the Debtor that the Bank will arrange, pursuant to procedures satisfactory to the Bank and so long as such procedures will not result in the Bank’s loss of control, for the Debtor to make alterations to the electronic chattel paper or transferable record permitted under Section 9-105 of the UCC or, as the case may be, Section 201 of the federal Electronic Signatures in Global and National Commerce Act or Section 16 of the Uniform Electronic Transactions Act for a party in control to make without loss of control.

Section 3 REPRESENTATIONS AND WARRANTIES

3.1 The Debtor makes the following representations and warranties to the Bank:

3.2 Debtor Organization and Name. Venus Concept Inc., is a Delaware corporation duly organized, existing and in good standing under the laws of the State of Delaware with full and adequate power to carry on and conduct its business as presently conducted. The exact legal name of Debtor is as set forth in the first paragraph of this Security Agreement.

3.3 Authorization. The Debtor has full right, power and authority to enter into this Security Agreement and to perform all of its duties and obligations under this Security Agreement. The execution and delivery of this Security Agreement and the other Loan Documents will not, nor will the observance or performance of any of the matters and things herein or therein set forth, violate or contravene any provision of law or of the articles/certificate of incorporation or bylaws of the Debtor. All necessary and appropriate action has been taken on the part of the Debtor to authorize the execution and delivery of this Security Agreement.

3.4 Validity and Binding Nature. This Security Agreement is the legal, valid and binding obligation of the Debtor, enforceable against the Debtor in accordance with its terms, subject to bankruptcy, insolvency and similar laws affecting the enforceability of creditors' rights generally and to general principles of equity.

3.5 Consent; Absence of Breach. The execution, delivery and performance of this Security Agreement and any other documents or instruments to be executed and delivered by the Debtor in connection herewith, do not and will not (a) require any consent, approval, authorization, or filings with, notice to or other act by or in respect of, any governmental authority or any other Person (other than any consent or approval which has been obtained and is in full force and effect and filings with respect to security interests); (b) conflict with (i) any provision of law or any applicable regulation, order, writ, injunction or decree of any court or governmental authority, (ii) the articles of incorporation or bylaws of the Debtor, or (iii) any material agreement, indenture, instrument or other document, or any judgment, order or decree, which is binding upon the Debtor or any of its respective properties or assets; or (c) require, or result in, the creation or imposition of any Lien on any asset of Debtor, other than Liens in favor of the Bank created pursuant to this Security Agreement and the other Loan Documents.

3.6 [Reserved]

3.7 [Reserved]

3.8 Security Interest. This Security Agreement creates a valid security interest in favor of the Bank in the Collateral and, when properly perfected by filing in the appropriate jurisdictions, or by possession or Control of such Collateral by the Bank or delivery of such Collateral to the Bank, shall, subject to the Third Amended and Restated Intercreditor Agreement, constitute a valid, perfected, first priority security interest in the CNB Priority Collateral (as defined in the Third Amended and Restated Intercreditor Agreement) to the extent a security interest in such Collateral may be perfected under Article 9 of the UCC.

3.9 Place of Business. The principal place of business and books and records of the Debtor as of the hereof is set forth in the preamble to this Security Agreement. The Debtor will not remove or permit the Collateral to be removed from such locations without the prior written consent of the Bank, except for Inventory sold in the usual and ordinary course of the Debtor's business or as otherwise permitted under the Loan Agreement.

3.10 [Reserved]

Section 4 AFFIRMATIVE COVENANTS.

4.1 Debtor Existence. The Debtor shall at all times preserve and maintain its (a) its existence and good standing in the jurisdiction of its organization, and (b) its qualification to do business and good standing in each jurisdiction where the nature of its business makes such qualification necessary (other than such jurisdictions in which the failure to be qualified or in good standing could not reasonably be expected to have a Material Adverse Effect), and shall at all times continue as a going concern in the business which the Debtor is presently conducting. If the Debtor does not have an Organizational Identification Number and later obtains one, the Debtor shall promptly notify the Bank of such Organizational Identification Number.

4.2 Compliance with Laws. The Debtor shall comply in all respects, including the conduct of its business and operations and the use of the Collateral, with all applicable laws, rules, regulations,

decrees, orders, judgments, licenses and permits, except where failure to comply could not reasonably be expected to have a Material Adverse Effect.

4.3 [Reserved.]

4.4 Maintain Property. The Debtor shall at all times maintain, preserve and keep the Collateral, in good repair, working order and condition, normal wear and tear excepted. The Debtor shall permit the Bank to examine and inspect such Collateral, at all reasonable times to the extent provided under the Loan Agreement.

4.5 Maintain Insurance. The Debtor shall at all times maintain, and cause each Subsidiary to maintain, with insurance companies reasonably acceptable to the Bank, such insurance coverage as may be required by any law or governmental regulation or court decree or order applicable to it and such other insurance, to such extent and against such hazards and liabilities, including employers', public and professional liability risks, as is customarily maintained by companies similarly situated, as provided in the Loan Agreement. The Debtor shall furnish to the Bank a certificate setting forth in reasonable detail the nature and extent of all insurance maintained by the Debtor, which shall be reasonably acceptable in all respects to the Bank. The Debtor shall cause each issuer of an insurance policy to provide the Bank with an endorsement (i) showing the Bank as loss payee and as additional insured with respect to each policy of property or casualty insurance; and (ii) providing that thirty (30) days notice will be given to the Bank prior to any cancellation of, material reduction or change in coverage provided by or other material modification to such policy.

4.6 In the event the Debtor either fails to provide the Bank with evidence of the insurance coverage required by this Section or at any time hereafter shall fail to obtain or maintain any of the policies of insurance required above, or to pay any premium in whole or in part relating thereto, then the Bank, without waiving or releasing any obligation or default by the Debtor hereunder, may at any time (but shall be under no obligation to so act), obtain and maintain such policies of insurance and pay such premiums and take any other action with respect thereto, which the Bank deems advisable. This insurance coverage (a) may, but need not, protect the Debtor's interests in such property, including the Collateral, and (b) may not pay any claim made by, or against, the Debtor in connection with such property, including the Collateral. The Debtor may later cancel any such insurance purchased by the Bank, but only after providing the Bank with evidence that the Debtor has obtained the insurance coverage required by this Section. If the Bank purchases insurance for the Collateral, the Debtor will be responsible for the costs of that insurance, including interest and any other charges that may be imposed with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance may be added to the principal amount of the Loans owing hereunder. The costs of the insurance may be more than the cost of the insurance the Debtor may be able to obtain on its own.

4.7 Field Audits. Upon reasonable advance written notice and during reasonable normal business hours, no more than twice annually (unless an Event of Default has occurred and is continuing), the Debtor shall permit the Bank to inspect the Inventory and other Collateral, to perform appraisals of the Inventory of the Debtor, and to inspect, audit, check and make copies of, and extracts from, the books, records, computer data, computer programs, journals, orders, receipts, correspondence and other data relating to Inventory, Accounts and any other Collateral. All such inspections or audits by the Bank shall be at the Debtor's sole expense.

4.8 Collateral Records. The Debtor shall keep full and accurate books and records relating to the Collateral and shall mark such books and records to indicate the Bank's Lien in the Collateral

including placing a legend, in form and content acceptable to the Bank, on all Chattel Paper created by the Debtor indicating that the Bank has a Lien in such Chattel Paper.

Section 5 REMEDIES.

Upon the occurrence of an Event of Default (as defined in the Loan Agreement) beyond the expiration of any applicable grace or cure periods (if any), and subject to the Third Amended and Restated Intercreditor Agreement, the Bank shall have all rights, powers and remedies set forth in this Security Agreement or the other Loan Documents or in any other written agreement or instrument relating to any of the Obligations or any security therefor, as a secured party under the UCC or as otherwise provided at law or in equity. Without limiting the generality of the foregoing, the Bank may, at its option upon the occurrence of an Event of Default, declare its commitments to the Borrower or the Debtor to be terminated and all Obligations to be immediately due and payable, or, if provided in the Loan Documents, all commitments of the Bank to the Borrower or the Debtor shall immediately terminate and all Obligations shall be automatically due and payable, all without demand, notice or further action of any kind required on the part of the Bank. The Debtor hereby waives any and all presentment, demand, notice of dishonor, protest, and all other notices and demands in connection with the enforcement of Bank's rights under the Loan Documents, and hereby consents to, and waives notice of release, with or without consideration, of any Collateral, notwithstanding anything contained herein or in the Loan Documents to the contrary. In addition to the foregoing, and in each case, subject to the Third Amended and Restated Intercreditor Agreement and applicable law:

5.1 Possession and Assembly of Collateral. The Bank may, without notice, demand or legal process of any kind, take possession of any or all of the Collateral (in addition to Collateral of which the Bank already has possession), wherever it may be found, and for that purpose may pursue the same wherever it may be found, and may at any time enter into any of the Debtor's premises where any of the Collateral may be or is supposed to be, and search for, take possession of, remove, keep and store any of the Collateral until the same shall be sold or otherwise disposed of and the Bank shall have the right to store and conduct a sale of the same in any of the Debtor's premises without cost to the Bank. At the Bank's request, the Debtor will, at the Debtor's sole expense, assemble the Collateral and make it available to the Bank at a place or places to be designated by the Bank which is reasonably convenient to the Bank and the Debtor.

5.2 Sale of Collateral. The Bank may sell any or all of the Collateral at public or private sale, upon such terms and conditions as the Bank may deem proper, and the Bank may purchase any or all of the Collateral at any such sale. The Debtor acknowledges that the Bank may be unable to effect a public sale of all or any portion of the Collateral because of certain legal and/or practical restrictions and provisions which may be applicable to the Collateral and, therefore, may be compelled to resort to one or more private sales to a restricted group of offerees and purchasers. The Debtor consents to any such private sale so made even though at places and upon terms less favorable than if the Collateral was sold at public sale. Subject to the Third Amended and Restated Intercreditor Agreement, the Bank shall have no obligation to clean-up or otherwise prepare the Collateral for sale. The Bank may apply the net proceeds, after deducting all costs, expenses, reasonable attorneys' and paralegals' fees incurred or paid at any time in the collection, protection and sale of the Collateral and the Obligations, to the payment of the Obligations, returning the excess proceeds, if any, to the Debtor. The Debtor and/or the Borrower shall remain liable for any amount remaining unpaid after such application, with interest at the Default Rate. Any notification of intended disposition of the Collateral required by law shall be conclusively deemed reasonably and properly given if given by the Bank at least ten (10) calendar days before the date of such disposition. The Debtor hereby confirms, approves and ratifies all acts and deeds of the Bank relating to the foregoing, and each part thereof, and expressly waives any and all claims of any nature, kind or description which it has or may hereafter have against the Bank or its representatives, by reason of taking,

selling or collecting any portion of the Collateral absent Bank's bad faith, gross negligence, willful misconduct or material breach of contract. The Debtor consents, effective after the acceleration of the Obligations during the existence of an Event of Default, to release of the Collateral at any time and to commercially reasonable sales of the Collateral in groups, parcels or portions, or as an entirety, as the Bank shall deem appropriate. The Debtor expressly absolves the Bank from any loss or decline in market value of any Collateral by reason of delay in the enforcement or assertion or non-enforcement of any rights or remedies under this Security Agreement.

5.3 Standards for Exercising Remedies. To the extent that applicable law imposes duties on the Bank to exercise remedies in a commercially reasonable manner, the Debtor acknowledges and agrees that, subject to applicable law, it is not commercially unreasonable for the Bank (a) to fail to incur expenses reasonably deemed significant by the Bank to prepare Collateral for disposition or otherwise to complete raw material or work-in-process into finished goods or other finished products for disposition, (b) to fail to obtain third party consents for access to Collateral to be disposed of, or to obtain or, if not required by other law, to fail to obtain governmental or third party consents for the collection or disposition of Collateral to be collected or disposed of, (c) to fail to exercise collection remedies against Account Debtors or other Persons obligated on Collateral or to remove liens or encumbrances on or any adverse claims against Collateral, (d) to exercise collection remedies against Account Debtors and other Persons obligated on Collateral directly or through the use of collection agencies and other collection specialists, (e) to advertise dispositions of Collateral through publications or media of general circulation, whether or not the Collateral is of a specialized nature, (f) to contact other Persons, whether or not in the same business as the Debtor, for expressions of interest in acquiring all or any portion of the Collateral, (g) to hire one or more professional auctioneers to assist in the disposition of Collateral, whether or not the collateral is of a specialized nature, (h) to dispose of Collateral by utilizing internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capability of doing so, or that match buyers and sellers of assets, (i) to dispose of assets in wholesale rather than retail markets, (j) to disclaim disposition warranties, including any warranties of title, (k) to purchase insurance or credit enhancements to insure the Bank against risks of loss, collection or disposition of Collateral or to provide to the Bank a guaranteed return from the collection or disposition of Collateral, or (l) to the extent deemed appropriate by the Bank, to obtain the services of other brokers, investment bankers, consultants and other professionals to assist the Bank in the collection or disposition of any of the Collateral. The Debtor acknowledges that the purpose of this section is to provide non-exhaustive indications of what actions or omissions by the Bank would not be commercially unreasonable in the Bank's exercise of remedies against the Collateral and that other actions or omissions by the Bank shall not be deemed commercially unreasonable solely on account of not being indicated in this section. Without limitation upon the foregoing, nothing contained in this section shall be construed to grant any rights to the Debtor or to impose any duties on the Bank that would not have been granted or imposed by this Security Agreement or by applicable law in the absence of this section.

5.4 UCC and Offset Rights. The Bank may exercise, from time to time, and subject to the Third Amended and Restated Intercreditor Agreement, any and all rights and remedies available to it under the UCC or under any other applicable law in addition to, and not in lieu of, any rights and remedies expressly granted in this Security Agreement or in any other agreements between any Obligor and the Bank, and may, without demand or notice of any kind, appropriate and apply toward the payment of such of the Obligations then due and owing, whether matured or unmatured, including costs of collection and reasonable attorneys' and paralegals' fees, and in such order of application as the Bank may, from time to time elect, any indebtedness of the Bank to any Obligor, however created or arising, including balances, credits, deposits, accounts or moneys of such Obligor in the possession, control or custody of, or in transit to the Bank. The Debtor, on behalf of itself and each Obligor, hereby waives the benefit of any law that would otherwise restrict or limit the Bank in the exercise of its right, which is

hereby acknowledged, to appropriate at any time hereafter any such indebtedness owing from the Bank to any Obligor.

5.5 Additional Remedies. The Bank shall have the right and power to, in each case, subject to the Third Amended and Restated Intercreditor Agreement:

(a) instruct the Debtor, at its own expense, to notify any parties obligated on any of the Collateral, including any Account Debtors, to make payment directly to the Bank of any amounts due or to become due thereunder, or, the Bank may directly notify such obligors of the security interest of the Bank, and/or of the assignment to the Bank of the Collateral and direct such obligors to make payment to the Bank of any amounts due or to become due with respect thereto, and thereafter, collect any such amounts due on the Collateral directly from such Persons obligated thereon;

(b) enforce collection of any of the Collateral, including any Accounts, by suit or otherwise, or make any compromise or settlement with respect to any of the Collateral, or surrender, release or exchange all or any part thereof, or compromise, extend or renew for any period (whether or not longer than the original period) any indebtedness thereunder;

(c) take possession or control of any proceeds and products of any of the Collateral, including the proceeds of insurance thereon;

(d) extend, renew or modify for one or more periods (whether or not longer than the original period) the Obligations or any obligation of any nature of any other obligor with respect to the Obligations;

(e) grant releases, compromises or indulgences with respect to the Obligations, any extension or renewal of any of the Obligations, any security therefor, or to any other obligor with respect to the Obligations;

(f) transfer the whole or any part of securities which may constitute Collateral into the name of the Bank or the Bank's nominee without disclosing, if the Bank so desires, that such securities so transferred are subject to the security interest of the Bank, and any corporation, association, or any of the managers or trustees of any trust issuing any of such securities, or any transfer agent, shall not be bound to inquire, in the event that the Bank or such nominee makes any further transfer of such securities, or any portion thereof, as to whether the Bank or such nominee has the right to make such further transfer, and shall not be liable for transferring the same;

(g) vote the Collateral;

(h) make an election with respect to the Collateral under Section 1111 of the Bankruptcy Code or take action under Section 364 or any other section of the Bankruptcy Code; provided, however, that any such action of the Bank as set forth herein shall not, in any manner whatsoever, impair or affect the liability of the Debtor hereunder, nor prejudice, waive, nor be construed to impair, affect, prejudice or waive the Bank's rights and remedies at law, in equity or by statute, nor release, discharge, nor be construed to release or discharge, the Debtor, any guarantor or other Person liable to the Bank for the Obligations; and

(i) at any time, and from time to time, accept additions to, releases, reductions, exchanges or substitution of the Collateral, without in any way altering, impairing, diminishing or

affecting the provisions of this Security Agreement, the Loan Documents, or any of the other Obligations, or the Bank's rights hereunder, under the Obligations.

The Debtor hereby ratifies and confirms whatever the Bank may do with respect to the Collateral and agrees that the Bank shall not be liable for any error of judgment or mistakes of fact or law with respect to actions taken in connection with the Collateral.

5.6 Attorney-in-Fact. The Debtor hereby irrevocably makes, constitutes and appoints the Bank (and any officer of the Bank or any Person designated by the Bank for that purpose) as the Debtor's true and lawful proxy and attorney-in-fact (and agent-in-fact) in the Debtor's name, place and stead, with full power of substitution, to (i) take such actions as are permitted in this Security Agreement, (ii) execute such financing statements and other documents and to do such other acts as the Bank may require to perfect and preserve the Bank's security interest in, and to enforce such interests in the Collateral, and (iii) during the occurrence of an Event of Default, and subject to the Third Amended and Restated Intercreditor Agreement, carry out any remedy provided for in this Security Agreement, including endorsing the Debtor's name to checks, drafts, instruments and other items of payment, and proceeds of the Collateral, executing change of address forms with the postmaster of the United States Post Office serving the address of the Debtor, changing the address of the Debtor to that of the Bank, opening all envelopes addressed to the Debtor and applying any payments contained therein to the Obligations. The Debtor hereby acknowledges that the constitution and appointment of such proxy and attorney-in-fact are coupled with an interest and are irrevocable. The Debtor hereby ratifies and confirms all that such attorney-in-fact may do or cause to be done by virtue of any provision of this Security Agreement.

5.7 No Marshaling. The Bank shall not be required to marshal any present or future collateral security (including this Security Agreement and the Collateral) for, or other assurances of payment of, the Obligations or any of them or to resort to such collateral security or other assurances of payment in any particular order. To the extent that it lawfully may, the Debtor hereby agrees that it will not invoke any law relating to the marshaling of collateral which might cause delay in or impede the enforcement of the Bank's rights under this Security Agreement or under any other instrument creating or evidencing any of the Obligations or under which any of the Obligations is outstanding or by which any of the Obligations is secured or payment thereof is otherwise assured, and, to the extent that it lawfully may, the Debtor hereby irrevocably waives the benefits of all such laws.

5.8 Application of Proceeds. The Bank will within a commercially reasonable time after receipt of cash or solvent credits from collection of items of payment, proceeds of Collateral or any other source, apply the whole or any part thereof against the Obligations secured hereby. The Bank shall further have the exclusive right to determine how, when and what application of such payments and such credits shall be made on the Obligations, and such determination shall be conclusive upon the Obligors. Subject to the Third Amended and Restated Intercreditor Agreement, any proceeds of any disposition by the Bank of all or any part of the Collateral during the continuation of an Event of Default may be first applied by the Bank to the payment of expenses incurred by the Bank in connection with the Collateral, including reasonable attorneys' fees and legal expenses as provided for in Section 6.13 hereof.

5.9 No Waiver. No Event of Default shall be waived by the Bank except in writing. No failure or delay on the part of the Bank in exercising any right, power or remedy hereunder shall operate as a waiver of the exercise of the same or any other right at any other time; nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy hereunder. There shall be no obligation on the part of the Bank to exercise any remedy available to the Bank in any order. The remedies provided for herein are cumulative and not exclusive of any remedies provided at law or in equity. The Debtor agrees that in the event that the Debtor fails to perform, observe or discharge any of its Obligations or liabilities under this Security

Agreement or any other agreements with the Bank, no remedy of law will provide adequate relief to the Bank, and further agrees that the Bank shall be entitled to temporary and permanent injunctive relief in any such case without the necessity of proving actual damages.

Section 6 MISCELLANEOUS.

6.1 Entire Agreement. This Security Agreement and the other Loan Documents (i) are valid, binding and enforceable against the Debtor and the Bank in accordance with their respective provisions and no conditions exist as to their legal effectiveness; (ii) constitute the entire agreement between the parties with respect to the subject matter hereof and thereof; and (iii) are the final expression of the intentions of the Debtor and the Bank. No promises, either expressed or implied, exist between the Debtor and the Bank, unless contained herein or therein. This Security Agreement, together with the other Loan Documents, supersedes all negotiations, representations, warranties, commitments, term sheets, discussions, negotiations, offers or contracts (of any kind or nature, whether oral or written) prior to or contemporaneous with the execution hereof with respect to any matter, directly or indirectly related to the terms of this Security Agreement and the other Loan Documents. This Security Agreement and the other Loan Documents are the result of negotiations among the Bank, the Debtor and the other parties thereto, and have been reviewed (or have had the opportunity to be reviewed) by counsel to all such parties, and are the products of all parties. Accordingly, this Security Agreement and the other Loan Documents shall not be construed more strictly against the Bank merely because of the Bank's involvement in their preparation.

6.2 Amendments; Waivers. No delay on the part of the Bank in the exercise of any right, power or remedy shall operate as a waiver thereof, nor shall any single or partial exercise by the Bank of any right, power or remedy preclude other or further exercise thereof, or the exercise of any other right, power or remedy. No amendment, modification or waiver of, or consent with respect to, any provision of this Security Agreement or the other Loan Documents shall in any event be effective unless the same shall be in writing and acknowledged by the Bank, and then any such amendment, modification, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

6.3 WAIVER OF DEFENSES. SUBJECT TO APPLICABLE LAW, THE DEBTOR, ON BEHALF OF ITSELF AND ANY GUARANTOR OF ANY OF THE OBLIGATIONS, WAIVES EVERY PRESENT AND FUTURE DEFENSE, CAUSE OF ACTION, COUNTERCLAIM OR SETOFF WHICH THE DEBTOR MAY NOW HAVE OR HEREAFTER MAY HAVE TO ANY ACTION BY THE BANK IN ENFORCING THIS SECURITY AGREEMENT. PROVIDED THE BANK ACTS IN GOOD FAITH, AND WITHOUT GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, THE DEBTOR RATIFIES AND CONFIRMS WHATEVER THE BANK MAY DO PURSUANT TO THE TERMS OF THIS SECURITY AGREEMENT. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE BANK GRANTING ANY FINANCIAL ACCOMMODATION TO THE DEBTOR.

6.4 FORUM SELECTION AND CONSENT TO JURISDICTION. ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS SECURITY AGREEMENT OR ANY OTHER LOAN DOCUMENT, SHALL BE BROUGHT AND MAINTAINED EXCLUSIVELY IN THE COURTS OF MIAMI-DADE COUNTY, THE STATE OF FLORIDA OR IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF FLORIDA; PROVIDED THAT NOTHING IN THIS SECURITY AGREEMENT SHALL BE DEEMED OR OPERATE TO PRECLUDE THE BANK FROM BRINGING SUIT OR TAKING OTHER LEGAL ACTION IN ANY OTHER JURISDICTION. THE DEBTOR HEREBY EXPRESSLY AND IRREVOCABLY SUBMITS TO THE JURISDICTION OF THE COURTS OF MIAMI-DADE COUNTY, STATE OF FLORIDA AND OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF FLORIDA FOR THE PURPOSE OF ANY SUCH LITIGATION AS SET

FORTH ABOVE. THE DEBTOR FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS BY REGISTERED MAIL, POSTAGE PREPAID, OR BY PERSONAL SERVICE WITHIN OR WITHOUT THE STATE OF FLORIDA. THE DEBTOR HEREBY EXPRESSLY AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUCH LITIGATION BROUGHT IN ANY SUCH COURT REFERRED TO ABOVE AND ANY CLAIM THAT ANY SUCH LITIGATION HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

6.5 WAIVER OF JURY TRIAL. THE BANK AND THE DEBTOR, AFTER CONSULTING OR HAVING HAD THE OPPORTUNITY TO CONSULT WITH COUNSEL, EACH KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE IRREVOCABLY, ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS SECURITY AGREEMENT, ANY NOTE, ANY OTHER LOAN DOCUMENT, ANY OF THE OTHER OBLIGATIONS, THE COLLATERAL, OR ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HEREWITH OR THEREWITH OR ARISING FROM ANY LENDING RELATIONSHIP EXISTING IN CONNECTION WITH ANY OF THE FOREGOING, OR ANY COURSE OF CONDUCT OR COURSE OF DEALING IN WHICH THE BANK AND THE DEBTOR ARE ADVERSE PARTIES, AND EACH AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE BANK GRANTING ANY FINANCIAL ACCOMMODATION TO THE DEBTOR.

6.6 Assignability. The Bank may at any time assign the Bank's rights in this Security Agreement, the other Loan Documents, the Obligations, or any part thereof and transfer the Bank's rights in any or all of the Collateral, and the Bank thereafter shall be relieved from all liability with respect to such Collateral. This Security Agreement shall be binding upon the Bank and the Debtor and their respective legal representatives and successors. All references herein to the Debtor shall be deemed to include any successors, whether immediate or remote. In the case of a joint venture or partnership, the term "Debtor" shall be deemed to include all joint venturers or partners thereof, who shall be jointly and severally liable hereunder.

6.7 Binding Effect. This Security Agreement shall become effective upon execution by the Debtor and the Bank. If this Security Agreement is not dated or contains any blanks when executed by the Debtor, the Bank is hereby authorized, without notice to the Debtor, to date this Security Agreement as of the date when it was executed by the Debtor, and to complete any such blanks according to the terms upon which this Security Agreement is executed.

6.8 Governing Law. This Security Agreement shall be delivered and accepted in and shall be deemed to be a contract made under and governed by the internal laws of the State of Florida (but giving effect to federal laws applicable to national banks) applicable to contracts made and to be performed entirely within such state, without regard to conflict of laws principles.

6.9 Enforceability. Wherever possible, each provision of this Security Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Security Agreement shall be prohibited by, unenforceable or invalid under any jurisdiction, such provision shall as to such jurisdiction, be severable and be ineffective to the extent of such prohibition or invalidity, without invalidating the remaining provisions of this Security Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

6.10 Time of Essence. Time is of the essence in making payments of all amounts due the Bank under this Security Agreement and in the performance and observance by the Debtor of each covenant, agreement, provision and term of this Security Agreement.

6.11 Counterparts; Facsimile Signatures. This Security Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts and each such counterpart shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Security Agreement. Receipt of an executed signature page to this Security Agreement by facsimile or other electronic transmission shall constitute effective delivery thereof. Electronic records of executed Loan Documents maintained by the Bank shall be deemed to be originals thereof.

6.12 Notices. All notices from the Debtor to Lender and Lender to Debtor required or permitted by any provision of this Security Agreement shall be in writing and sent by registered or certified mail, by nationally recognized overnight delivery service, by facsimile or by electronic communication (e-mail) and addressed as follows:

TO LENDER: CITY NATIONAL BANK OF FLORIDA
100 S.E. 2nd Street, 13th Floor
Miami, FL 33131
Attention: Legal Department
Email: Greg.Mangram@citynational.com

TO BORROWER: VENUS CONCEPT USA INC.
235 Yorkland Blvd, Suite 900
Toronto, Ontario, Canada M2J 4Y8
Attention: Domenic Serafino, CEO
Domenic DiSisto, General Counsel
Facsimile: (855) 907-0115
E-mail: dom@venusconcept.com
Ddisisto@venusconcept.com

With a copy to:
(which shall not constitute service):

Reed Smith LLP
599 Lexington Avenue
New York, New York 10022
Attention: Mark Pedretti
Facsimile: (212) 521-5450
E-mail: mpedretti@reedsmith.com

Such addresses may be changed by such notice to the other party. Notices sent by registered or certified mail or by overnight delivery service shall be deemed given on the date of its deposit in the United States Mail and, unless sooner actually received, shall be deemed received by the party to whom it is addressed on the third calendar day following the date on which said notice is deposited in the mail, or if a courier system is used, on the date of delivery of the notice; notices sent by facsimile or by electronic communications shall be deemed given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient).

6.13 Costs, Fees and Expenses. The Debtor shall pay or reimburse the Bank for all reasonable costs, fees and expenses incurred by the Bank or for which the Bank becomes obligated in connection with the enforcement of this Security Agreement, including reasonable attorneys' fees and time charges of counsel to the Bank, plus costs and expenses of such attorneys or of the Bank; search fees, costs and expenses; and all taxes payable in connection with this Security Agreement. In furtherance of the foregoing, the Debtor shall pay any and all stamp and other taxes, UCC search fees, filing fees and other costs and expenses in connection with the execution and delivery of this Security Agreement and the other Loan Documents to be delivered hereunder, and agrees to save and hold the Bank harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay such costs and expenses. That portion of the Obligations consisting of costs, expenses or advances to be reimbursed by the Debtor to the Bank pursuant to this Security Agreement or the other Loan Documents which are not paid on or prior to the date hereof shall be payable by the Debtor to the Bank on demand. If at any time or times hereafter the Bank: (a) employs counsel for advice or other representation (i) with respect to this Security Agreement or the other Loan Documents, (ii) to represent the Bank in any litigation, contest, dispute, suit or proceeding or to commence, defend, or intervene or to take any other action in or with respect to any litigation, contest, dispute, suit, or proceeding (whether instituted by the Bank, the Debtor, or any other Person) in any way or respect relating to this Security Agreement, or (iii) to enforce any rights of the Bank against the Debtor or any other Person under of this Security Agreement; (b) takes any action to protect, collect, sell, liquidate, or otherwise dispose of any of the Collateral; and/or (c) attempts to or enforces any of the Bank's rights or remedies under this Security Agreement, the costs and expenses incurred by the Bank in any manner or way with respect to the foregoing, shall be part of the Obligations, payable by the Debtor to the Bank on demand.

[EXECUTIONS ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Debtor and the Bank have executed this Security Agreement as of the date first above written.

Debtor:

VENUS CONCEPT INC., a Delaware corporation

By: /s/ Domenic Serafino
Domenic Serafino, as CEO

STATE OF FLORIDA)
)SS:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this 4 day of March, 2020, by means of physical presence or online notarization, by Domenic Serafino, as CEO of VENUS CONCEPT INC., a Delaware corporation, on behalf of and as an act of the corporations. He is personally known to me or has produced _____ as identification, and took an oath.

/s/ Michael Mandarello
NOTARY PUBLIC
Print Name: Michael Mandarello

Bank:

CITY NATIONAL BANK OF FLORIDA

By: /s/ Greg Mangram

Name: Greg Mangram

Title: SVP

THIS THIRD AMENDED AND RESTATED INTERCREDITOR AGREEMENT AMENDS, RESTATES AND REPLACES IN ITS ENTIRETY THAT CERTAIN SECOND AMENDED AND RESTATED INTERCREDITOR AGREEMENT DATED AS OF APRIL 25, 2019 BETWEEN MADRYN HEALTH PARTNERS, LP AND CITY NATIONAL BANK OF FLORIDA

THIRD AMENDED AND RESTATED INTERCREDITOR AGREEMENT

THIS THIRD AMENDED AND RESTATED INTERCREDITOR AGREEMENT (this “**Agreement**”) is entered into as of March 20, 2020, by and between (a) **MADRYN HEALTH PARTNERS, LP**, a Delaware limited partnership, having an office at 140 E. 45th Street, 15th Floor, Suite B, New York, NY 10017, in its capacity as administrative agent (“**Madryn**”) for the Madryn Lenders (defined below) under the Madryn Loan Agreement (defined below), and (b) **CITY NATIONAL BANK OF FLORIDA**, having an office at 100 SE 2nd Street, 13th Floor, Miami, Florida 33131 (“**CNB**”). Madryn (in its own capacity and as agent for the Madryn Lenders, as applicable), the Madryn Lenders and CNB are each sometimes referred to herein individually as a “**Lender**” and collectively as “**Lenders**”.

RECITALS

A. Madryn, the lenders from time to time party thereto (collectively with Madryn, the “**Madryn Lenders**”), **VENUS CONCEPT CANADA CORP.**, an Ontario corporation (“**Venus Canada**”), **VENUS CONCEPT USA INC.**, a Delaware corporation, **VENUS CONCEPT INC.**, a Delaware corporation (“**VCI**”) (“**Venus USA**” and together with **VCI** and **Venus Canada**, each a “**Borrower**” and collectively, the “**Borrowers**”), **VENUS CONCEPT LTD.**, an Israeli corporation, the Guarantors party thereto (the “**Guarantor**”) (collectively with Borrowers, the “**Loan Parties**”) are parties to that certain Credit Agreement dated as of October 11, 2016 as amended by that certain First Amendment to Credit Agreement and Investment Documents dated as of May 25, 2017, that certain Second Amendment to Credit Agreement and Consent Agreement dated as of February 15, 2018, that certain Third Amendment to Credit Agreement and Waiver dated as of August 14, 2018, that certain Fourth Amendment to Credit Agreement dated as of January 11, 2019, that certain Fifth Amendment to Credit Agreement dated as of March 15, 2019, that certain Sixth Amendment to Credit Agreement and Consent dated as of April 25, 2019, that certain Seventh Amendment to Credit Agreement, Consent and Waiver dated as of June 25, 2019, that certain Omnibus Amendment and Waiver dated as of July 26, 2019, that certain Ninth Amendment to Credit Agreement dated as of August 14, 2019, that certain Tenth Amendment to Credit Agreement, Consent and Joinder Agreement dated as of November 7, 2019, that certain Eleventh Amendment to Credit Agreement and Consent Agreement dated as even date herewith (as may be further amended, modified, restated, replaced, or supplemented from time to time, the “**Madryn Loan Agreement**”), whereby Madryn made available to Borrowers certain secured term loan facilities. The loan facilities provided by the Madryn Loan Agreement shall be referred to herein as the “**Madryn Loan**”.

B. CNB and the Loan Parties are parties to that certain Second Amended and Restated Loan Agreement dated as of the date hereof (as the same may be further amended, modified, restated, replaced, or supplemented from time to time, the “**CNB Loan Agreement**”), whereby CNB agreed to make available to Borrower a secured revolving loan credit facility, which is guaranteed by Guarantor. In addition, CNB may provide Bank Services to Borrower in an aggregate amount outstanding at any time not to exceed One Million Dollars (\$1,000,000.00) (the “**Bank Services Cap**”). The facility contemplated by the CNB Loan Agreement, along with any Bank Services, shall be referred to herein as the “**CNB Loan**”.

C. All of the obligations and indebtedness of the Loan Parties to the Madryn Lenders under the Madryn Loan Documents and all of the obligations and indebtedness of Borrower to CNB under the CNB Loan Documents and Bank Services are secured by the Collateral, as defined herein.

D. Madryn and CNB desire to set forth in this Agreement their respective rights and obligations with respect to the Collateral.

AGREEMENT

The parties agree as follows:

1. DEFINITIONS AND CONSTRUCTION

1.1 Definitions. As used in this Agreement, the following terms shall have the following definitions:

“**Accounts**” means any “account”, as such term is defined in the UCC, now owned or hereafter acquired by a Borrower (including, without limitation, under any trade name, style or division thereof) or in which a Borrower now holds or hereafter acquires any interest and, in any event, shall include, without limitation, all accounts receivable, book debts, Payment Intangibles in respect of the foregoing, whether arising out of goods sold or services rendered (including, without limitation, the licensing of any property) by a Borrower or from any other transaction, whether or not the same involves the sale of goods or services (including, without limitation, licensing) by a Borrower (including, without limitation, any such obligation that may be characterized as an account or contract right under the UCC) and all of any Borrower’s accrued rights to payment under all purchase orders, or receipts now owned or hereafter acquired by it for goods or services, and all of a Borrower’s rights to any goods represented by any of the foregoing (including, without limitation, unpaid seller’s rights of rescission, replevin, reclamation and stoppage in transit and rights to returned, reclaimed or repossessed goods), and all monies due or to become due to a Borrower for goods actually delivered or services actually rendered under all purchase orders and contracts for the sale of goods or the performance of services or both by a Borrower or in connection with any other transaction, now in existence or hereafter occurring, but including, all collateral security and guarantees of any kind given by any person with respect to any of the foregoing. For the avoidance of doubt, the term “Accounts” only includes accrued and earned rights to payment (and the actual payments themselves) for the sale of goods or services in the ordinary course of business and shall not include the actual purchase orders, contracts or licenses themselves or any rights to future revenue under such purchase orders, contracts or licenses after a disposition of the same, all of which shall be part of the Madryn Priority Collateral.

“**Agent**” means Madryn, on behalf of Madryn and the other Madryn Lenders.

“**Bank Services**” are any products, credit services, and/or financial accommodations previously, now, or hereafter provided to Venus USA or VCI by CNB or any affiliate of CNB, including, without limitation, any letters of credit, cash management services (including, without limitation, merchant services, direct deposit of payroll, overdraft protection arrangements and extensions of credit, business credit cards, and check cashing services), interest rate swap arrangements, and foreign exchange services, as any such products or services may be identified in CNB’s various agreements related thereto, in all cases whether or not provided pursuant to the CNB Loan Agreement, but in all cases subject to the Bank Services Cap.

“**Bank Services Cap**” is defined in Recital B.

“Bankruptcy Code” means the federal bankruptcy law of the United States as from time to time in effect, currently as Title 11 of the United States Code. Section references to current sections of the Bankruptcy Code shall refer to comparable sections of any revised version thereof if section numbering is changed.

“Borrower” and **“Borrowers”** has the meaning given to such terms in Recital A.

“Cash Collateral” has the meaning given to such term in Section 4.11.

“Claim” means the Madryn Claims and/or the CNB Claims, as applicable.

“CNB Cap” means (a) \$10,000,000, which amount includes the principal amount outstanding under the CNB Loan Agreement plus (b) all Bank Services up to the Bank Services Cap, minus (c) the amount of any permanent reductions in the revolving commitment under the CNB Loan Agreement.

“CNB Claim” and **“CNB Claims”** means any and all present and future “claims” (used in its broadest sense, as contemplated by and defined in Section 101(5) of the Bankruptcy Code, but without regard to whether such claim would be disallowed under the Bankruptcy Code) of CNB now or hereafter arising or existing under or relating to the CNB Loan Agreement and related CNB Loan Documents, whether joint, several, or joint and several, whether fixed or indeterminate, due or not yet due, contingent or non-contingent, matured or unmatured, liquidated or unliquidated, or disputed or undisputed, whether under a guaranty or a letter of credit, and whether arising under contract, in tort, by law, or otherwise, any interest or fees thereon (including interest or fees that accrue after the filing of a petition by or against Borrower under the Bankruptcy Code, irrespective of whether allowable under the Bankruptcy Code), any costs of Enforcement Actions, including reasonable attorneys’ fees and costs, and any prepayment or termination premiums.

“CNB Excess Obligations” means the principal amount of the CNB Claim in excess of (i) the CNB Cap, plus accrued interest on such portion in excess of the CNB Cap; plus (ii) Bank Services in excess of the Bank Services Cap.

“CNB Loan” has the meaning given to such term in Recital B.

“CNB Loan Agreement” has the meaning given to such term in Recital B.

“CNB Loan Documents” means the CNB Loan Agreement and all of the “Loan Documents” as defined in the CNB Loan Agreement, but in any event including any documents in connection with Bank Services, in each case as may be amended, modified, restated, replaced, or supplemented from time to time.

“CNB Priority Collateral” means all right, title, and interest of Borrowers in and to any of the following, whether now owned or hereafter acquired and wherever located: all (a) Accounts, (b) Inventory, (c) cash, cash equivalents, short and long term investments, all bank and investment accounts including, without limitation, all operating accounts, depository accounts, savings accounts, and investment accounts, and all property contained therein, stock, securities, and Investment Property, to the extent any of the foregoing represent the Proceeds arising out of any of the collateral described in (a) and (b), but in each case excluding the Proceeds of Madryn Priority Collateral.

“CNB Priority Obligations” means the CNB Claims other than any CNB Excess Obligations.

“Collateral” means all of the Loan Parties’ now owned and hereafter acquired assets and personal property, whether tangible or intangible.

“Enforcement Action” means, with respect to any Lender and with respect to any Claim of such Lender or any item of Collateral in which such Lender has or claims a Lien or right of offset, any action, whether judicial or nonjudicial, to repossess, collect, accelerate, offset, recoup, give notification to third parties with respect to, sell, dispose of, foreclose upon, give notice of sale, disposition, or foreclosure with respect to, or obtain equitable or injunctive relief with respect to, such Claim or Collateral.

“Event of Default” means a default or event of default however so defined under either (a) under the Madryn Loan Documents or (b) the CNB Loan Documents.

“Insolvency Event” has the meaning given to such term in Section 4.8.

“Insolvency Proceeding” has the meaning given to such term in Section 2.6.

“Investment Property” means any “investment property”, as such term is defined in the UCC, now owned or hereafter acquired by a Borrower or in which a Borrower now holds or hereafter acquires any interest.

“Inventory” is all “inventory” as defined in the Code in effect on the date hereof, with such additions to such term as may hereafter be made, and includes without limitation all merchandise, raw material, parts, supplies, packing and shipping materials, work in process and finished products, including without limitation such inventory as is temporarily out of a Borrower’s custody or possession or in transit and including any returned goods and any documents of title representing any of the foregoing.

“Lender” or **“Lenders”** have the meanings given to such terms in the introductory paragraph hereof.

“Lien” means a lien or security interest in Collateral to secure a Claim of a Lender.

“Loan” means, as the context may require, singularly the Madryn Loan, the CNB Loan, or any other extension of credit pursuant to a Loan Agreement (in the case of CNB, including, without limitation, Bank Services).

“Loan Agreement” means, as the context may require, singularly the Madryn Loan Agreement or the CNB Loan Agreement; and **“Loan Agreements”** means collectively, the Madryn Loan Agreement and the CNB Loan Agreement.

“Loan Documents” means, as applicable, the Madryn Loan Documents and the CNB Loan Documents.

“Madryn Claim” and **“Madryn Claims”** means any and all present and future “claims” (used in its broadest sense, as contemplated by and defined in Section 101(5) of the Bankruptcy Code, but without regard to whether such claim would be disallowed under the Bankruptcy Code) of Madryn now or hereafter arising or existing under or relating to the Loan Agreement and related Loan Documents, whether joint, several, or joint and several, whether fixed or indeterminate, due or not yet due, contingent or non-contingent, matured or unmatured, liquidated or unliquidated, or disputed or undisputed, whether under a guaranty or a letter of credit, and whether arising under contract, in tort, by law, or otherwise, any interest or fees thereon (including interest or fees that accrue after the filing of a petition by or against a

Loan Party under the Bankruptcy Code, irrespective of whether allowable under the Bankruptcy Code), any costs of Enforcement Actions, including reasonable attorneys' fees and costs, and any prepayment or termination premiums.

"Madryn Lenders" means the Lenders under the Madryn Loan Documents.

"Madryn Loan Agreement" has the meaning given to such term in Recital A.

"Madryn Loan Documents" means the Madryn Loan Agreement and all of the "Loan Documents" as defined in the Madryn Loan Agreement, except any warrant issued by a Loan Party, in each case as may be amended, modified, restated, replaced, or supplemented from time to time.

"Madryn Priority Collateral" means all of the Collateral, other than the CNB Priority Collateral.

"Non-Priority Agent" means, with respect to the CNB Priority Collateral, Madryn, and, with respect to the Madryn Priority Collateral, CNB.

"Non-Priority Lenders" means, with respect to the CNB Priority Collateral, the Madryn Lenders, and, with respect to the Madryn Priority Collateral, CNB.

"Payment Intangible" means any "payment intangible", as such term is defined in the UCC, now owned or hereafter acquired by a Loan Party or in which a Loan Party now holds or hereafter acquires any interest.

"Priority Agent" means, with respect to the CNB Priority Collateral, CNB, and, with respect to the Madryn Priority Collateral, Madryn.

"Priority Collateral" means, with respect to CNB, the CNB Priority Collateral, and with respect to Madryn, the Madryn Priority Collateral.

"Priority Lenders" means, as to the CNB Priority Collateral, CNB, and with respect to the Madryn Priority Collateral, the Madryn Lenders.

"Proceeds" means "proceeds," as such term is defined in the UCC.

"Proceeds of Collection" means, collectively, the proceeds of all Collateral received in connection with an Enforcement Action, or any part thereof, and the proceeds of any remedy with respect to such Collateral under the Loan Documents after the occurrence and during the continuance of an Event of Default.

"Reimbursement Obligations" has the meaning given to such term in Section 4.7.

"UCC" means the Uniform Commercial Code as the same may, from time to time, be in effect in the State of New York; provided, that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection or priority of, or remedies with respect to any Lender's Lien on any Collateral is governed by the Uniform Commercial Code as enacted and in effect in a jurisdiction other than the State of New York, the term "UCC" shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority or remedies and for purposes of definitions related to such provisions. Unless otherwise defined herein, terms that are defined in the UCC and used herein shall have the

meanings given to them in the UCC.

1.2 Other Interpretive Provisions. References in this Agreement to “Recitals,” “Sections,” and “Exhibits” are to recitals, sections, and exhibits herein and hereto unless otherwise indicated. References in this Agreement to any document, instrument or agreement shall include (a) all exhibits, schedules, annexes and other attachments thereto, (b) all documents, instruments or agreements issued or executed in replacement thereof, and (c) such document, instrument or agreement, or replacement or predecessor thereto, as amended, modified and supplemented from time to time and in effect at any given time. The words “include” and “including” and words or similar import when used in this Agreement shall not be construed to be limiting or exclusive. The Recitals constitute a part of the agreement among the parties hereto.

2. INTERCREDITOR ARRANGEMENTS

2.1 Priority of Security Interests. (a) Notwithstanding any contrary priority established by (i) the filing dates of their respective financing statements, (ii) the recording dates of any other security perfection documents, (iii) which Lender has possession of, or control over, any of the Collateral (but expressly subject to Section 4.5) or (iv) any statute or rule of law to the contrary, the Lenders agree that, except as otherwise provided under Section 4:

(i) the Lien of CNB in CNB’s Priority Collateral shall at all times be senior in rank, priority and enforcement to the Lien and enforcement rights of Madryn in and against CNB’s Priority Collateral, to the extent of the CNB Priority Obligations;

(ii) the Lien of Madryn in CNB’s Priority Collateral shall be junior and subordinate in rank, priority and enforcement to the Lien and enforcement rights of CNB in and against CNB’s Priority Collateral, to the extent of the CNB Priority Obligations;

(iii) the Lien of Madryn in Madryn Priority Collateral shall at all times be senior in rank, priority and enforcement to the Lien and enforcement rights of CNB in and against such Madryn Priority Collateral;

(iv) the Lien of CNB in Madryn Priority Collateral shall be junior and subordinate in rank, priority and enforcement to the Lien and enforcement rights of Madryn in and against Madryn’s Priority Collateral;

(v) the Proceeds of Collection of the Madryn Priority Collateral and the Proceeds of Collection of CNB Priority Collateral shall be distributed as provided in Section 4 below;

(vi) the relative priority of the Liens specified in this Agreement applies only to Liens held by the Lenders (and by their respective agents) to secure Loans made under their respective Loan Agreements (and in the case of CNB Liens for Bank Services);

(vii) each of Madryn and CNB consents to the grant of liens set forth in the CNB Loan Documents and the Madryn Loan Documents, in effect as of the date hereof.

(b) The relative priorities set forth in subsection (a) are subject to the following:

(i) No Lender shall challenge or contravene the perfection of the Lien of any other Lender.

(ii) A Lender's relative priority in the proceeds (within the meaning of the Code, but not including proceeds of liquidation) of an asset of a Loan Party shall be determined based upon that Lender's relative priority in the asset from which such proceeds arose.

(iii) The proceeds of the liquidation of any assets of a Loan Party conducted by any Lender and the proceeds of any insurance on assets of such Loan Party shall be distributed to the Lenders, to the extent available, in order of their respective priorities in the assets of the Loan Party giving rise to such proceeds, as provided in subsection (a) above.

(iv) Any Lender which conducts a liquidation shall provide each other Lender with copies of all demands, communications, correspondence, and pleadings which relate to such Lender's conduct of such liquidation. The proceeds of any liquidation shall be distributed accordance with subsection (a) above. Any Lender which conducts a liquidation shall provide the other Lender with a written statement of the results of such liquidation and the distribution of the proceeds thereof.

(v) Each of the Lenders shall provide the other Lender with a copy of any notice of demand, or similar communication as and when given to any Loan Party. Each of the Lenders shall make reasonable efforts to provide all others as and when received, given, or executed, copy of any amendment, modification, waiver, replacement or supplement of their respective Loan Documents with the Loan Party. No Lender shall have any liability to the other Lender for failure to comply with this subsection.

2.2 Limitation on Further Loans. After the date hereof, except pursuant to the Loan Agreements and as permitted pursuant to Section 2.5, no CNB Lender may make loans to or otherwise extend credit to Borrower in excess of the CNB Priority Obligations, without notice to and the consent of Madryn; provided, however, that CNB may, in the ordinary course of its commercial banking relationship with Borrower, extend credit to Borrower in the form of (i) overdrafts under deposit accounts maintained with either Lender, extensions of credit in connection with unsecured cash management services and similar unsecured extensions of credit; provided, however that to the extent any such overdrafts are secured, the amount secured shall be included as principal and shall be subject to the CNB Cap, and (ii) secured extensions of credit in connection with Bank Services as permitted under Section 4.11 below.

2.3 Transfer of Interest in Loans.

(a) Consent. Madryn agrees that it will not transfer any of its interest in the Madryn Loan Documents without obtaining the acknowledgment of the proposed transferee or assignee that the transfer or assignment is subject to all of the terms of this Agreement. CNB agrees that it will not transfer any of its interest in the CNB Loan Documents or its Loans without obtaining the acknowledgment of the proposed transferee or assignee that the transfer or assignment is subject to all of the terms of this Agreement; provided, however, CNB may sell to any other financial entity participation interests in such CNB's rights under this Agreement and the Loan Documents, provided that notwithstanding the sale of participations, CNB shall remain solely responsible for the performance of its obligations under this Agreement and the Loan Documents, and Madryn or its transferee shall continue to deal solely and directly with CNB in connection with this Agreement and the Loan Documents. For the avoidance of doubt this Agreement shall have no effect to restrict or prohibit any transfers of the rights of any Madryn Lender under the Madryn Loan Agreement in accordance with the terms of the Madryn Loan Documents.

(b) Assumption of Obligations. The transferee shall assume all obligations of the transferring Lender with respect to the portion of the transferor's interest under this Agreement and the applicable Loan Documents; provided, that to the extent the transferor shall not transfer the entirety

and shall retain any portion of its interest in its Loan Agreement and the other applicable Loan Documents, the transferor shall retain its obligations under this Agreement, its Loan Agreement and the other applicable Loan Documents with respect to that portion of its interest.

2.4 Agent for Perfection. Each Lender hereby appoints the other Lender as agent for the purposes of perfecting its Liens in and on any of the Collateral in the possession or under the control of such other Lender; provided, that, a Lender in the possession or having control of any Collateral shall not have any duty or liability to protect or preserve any rights pertaining to any of the Collateral and, except for gross negligence or willful misconduct as determined pursuant to a final non-appealable order of a court of competent jurisdiction, the non-possessing and/or non-controlling Lender hereby waives and releases the other Lender from, all claims and liabilities arising pursuant to the possessing Lender's role as bailee with respect to the Collateral, so long as the possessing and/or controlling Lender shall use the same degree of care with respect thereto as the possessing and/or controlling Lender uses for similar property pledged to the possessing and/or controlling Lender as collateral for indebtedness of others to the possessing and/or controlling Lender. For the avoidance of doubt, so long as the CNB Loan Documents remain in place this Agreement shall constitute a Qualifying Control Agreement for each deposit account of either Borrower maintained at CNB and after payment in full of the CNB Loan, then CNB agrees to enter into a deposit account control agreement covering any deposit accounts at CNB within thirty (30) days of the request of Madryn.

2.5 Limitations on Amendments to CNB Loan Documents. CNB shall obtain Madryn's written consent prior to (i) entering into any amendment to the CNB Loan Documents that increases the maximum principal amount that may be outstanding thereunder above the CNB Cap (except for Bank Services which may or may not be provided under the CNB Loan Agreement, but subject to the Bank Services Cap), or (ii) entering into any Bank Services in excess of the Bank Services Cap, (iii) making any loans other than revolving loans subject to the borrowing base formula established under the CNB Loan Documents in effect as of the date hereof or otherwise relaxing the eligibility requirements for Accounts or Inventory in any applicable borrowing base or increasing the advance rates contained in any applicable borrowing base, in a manner which would cause the Loan Parties to obtain credit in excess of the borrowing base formulas established in the CNB Loan Documents in effect as of the date hereof, other than the making of protective advances necessary to protect or preserve the CNB Priority Collateral in an amount not to exceed \$500,000, or (iv) adding any Loan Parties as borrowers or guarantors under the CNB Loan Documents except to the extent such Loan Parties are borrowers or guarantors under the CNB Loan Documents on the date of this Agreement.

2.6 Insolvency Proceeding. In any bankruptcy, assignment for the benefit of creditors, arrangement, or reorganization of a Loan Party ("**Insolvency Proceeding**"), the Collateral of each Lender shall include Collateral acquired by the applicable Loan Party, or arising, after the commencement of the Insolvency Proceeding, and this Agreement shall continue to apply during any such Insolvency Proceeding.

3. ALLOCATION OF PAYMENTS AMONG LENDERS. Notwithstanding anything to the contrary, nothing set forth herein shall restrict the Borrowers from making payments of principal, interest, fees and costs to Madryn in accordance with the Madryn Loan Agreement. Without limiting the foregoing, Borrowers may (i) make and continue to make to Madryn payments of principal, interest, fees and costs in accordance with the terms of its Loan Agreement or (ii) prepay a Loan in accordance with the terms of the applicable Loan Agreement, even though in each of the foregoing cases (i) and (ii) such payments may be the proceeds of CNB's Priority Collateral.

4. REMEDIES UPON AN EVENT OF DEFAULT

4.1 Exercise of Remedies by Madryn. Madryn shall be free at all times to exercise or to refrain from exercising any and all rights and remedies it may have with respect to the Collateral under the Madryn Loan Documents or under applicable law (and continue to receive regularly scheduled payments); provided that, in no event shall Madryn take any Enforcement Action against any of the CNB Priority Collateral without the prior written consent of CNB until the date that is 120 days after CNB has received written notice from Madryn stating (a) that an Event of Default has occurred under the Madryn Loan Documents and (b) with specific reference to this Section 4.1, that Madryn intends to take an Enforcement Action with respect to the CNB Priority Collateral (and containing specific details of the actions to be taken); provided further, that said 120-day period shall be tolled during (i) any period that CNB or its agent(s), as applicable, is taking Enforcement Action against such CNB Priority Collateral and (ii) the continuation of any case or proceeding by or against Borrower under the Bankruptcy Code or any other insolvency law.

4.2 Exercise of Remedies by CNB. CNB shall be free at all times to exercise or to refrain from exercising any and all rights and remedies it may have with respect to the CNB Priority Collateral under the CNB Loan Documents or under applicable law; provided that, in no event shall CNB take any Enforcement Action against any of the Madryn Priority Collateral without the prior written consent of Madryn until CNB has received written notice from Madryn stating that the Madryn Claim has been paid in full and all commitments to lend thereunder have been terminated. During the term of this Agreement, the "Default Rate" CNB may charge pursuant to the CNB Loan Documents shall be limited to the greater of : (a) default interest rate set forth in the Madryn Loan Documents, or (b) fourteen percent (14%).

4.3 Application of Proceeds of Collection of CNB Priority Collateral after an Event of Default. Notwithstanding anything to the contrary in the Loan Documents, as among the Lenders, the Proceeds of Collection of all of the CNB Priority Collateral shall upon receipt by any Lender, after an Event of Default, be paid to and applied as follows:

(a) First, to the payment of then outstanding reasonable out-of-pocket costs and expenses of the Lenders expended to preserve the value of the CNB Priority Collateral, of foreclosure or suit with respect to CNB Priority Collateral, if any, and of such sale with respect to the CNB Priority Collateral (in proportion to such costs and expenses theretofore incurred by each);

(b) Second, to CNB in an amount up to CNB's Claims until all CNB Priority Obligations are satisfied in full and the CNB Loan Documents evidencing Borrowers' obligations to CNB (other than in respect of any CNB Excess Obligations) are terminated;

(c) Third, to Madryn in an amount up to the Madryn Claim until the Madryn Claim is satisfied in full and the Loan Documents evidencing the Loan Parties' obligations to the Madryn Lenders are terminated;

(d) Fourth, to CNB in respect of any CNB Excess Obligations; and

(e) Fifth, to Borrower, its successors and assigns, or to whomsoever may be lawfully entitled to receive the same.

4.4 Application of Proceeds of Collection of Madryn Priority Collateral after an Event of Default. Notwithstanding anything to the contrary in the Loan Documents, as among the Lenders, the Proceeds of Collection of all of the Madryn Priority Collateral shall upon receipt by either Lender, after an Event of Default, be paid to and applied as follows:

(a) First, to the payment of then outstanding reasonable out-of-pocket costs and expenses of Madryn or the other Madryn Lenders expended to preserve the value of the Madryn Priority Collateral, of foreclosure or suit with respect to Madryn Priority Collateral, if any, and of such sale and the exercise of any other rights or remedies with respect to the Madryn Priority Collateral (in proportion to such costs and expenses theretofore incurred by each);

(b) Second, to Madryn for application to the Madryn Claim until satisfied in full and the Loan Documents evidencing the Loan Parties' obligations to the Madryn Lenders are terminated;

(c) Third, to CNB in an amount up to CNB's Claims until all CNB Claims are satisfied in full and the CNB Loan Documents evidencing Borrowers' obligations to CNB (other than in respect of any CNB Excess Obligations) are terminated; and

(f) Fourth, to the applicable Loan Party, its successors and assigns, or to whomsoever may be lawfully entitled to receive the same.

4.5 CNB Accounts. Notwithstanding anything in this Agreement to the contrary, the above priorities shall not apply to or restrict any and/or all of CNB's present and future rights (whether described as rights of setoff, banker's liens, chargeback or otherwise, and whether available to CNB under the law or under any other agreement between CNB and Borrower concerning any account maintained by the Borrower with CNB or any of its affiliates ("**CNB Account**")) with respect to: (a) the face amount of a check, draft, money order, instrument, wire transfer of funds, automated clearing house entry, credit from a merchant card transaction, other electronic transfer of funds or other item (i) deposited in or credited to any CNB Account and returned unpaid or otherwise uncollected or subject to an adjustment entry, whether for insufficient funds or for any other reason and without regard to the timeliness of the return or adjustment or the occurrence or timeliness of any other person's notice of nonpayment or adjustment, (ii) subject to a claim against the CNB for breach of transfer, presentment, encoding, retention or other warranty under Federal Reserve Regulations or Operating Circulars, clearing house rules, the UCC or other applicable law, or (iii) for a merchant card transaction, against which a contractual demand for chargeback has been made; (b) service charges, fees or expenses payable or reimbursable to the CNB in connection with any CNB Account or any related services; and (c) any adjustments or corrections of any posting or encoding errors, so long as such payments are made from the CNB's Priority Collateral, CNB shall be senior to the Madryn with respect to such payments.

4.6 Insurance. In the event of any loss affecting any Collateral, the Lender having a senior Lien in the affected Collateral under this Agreement shall, subject to the Loan Parties' rights under the applicable Loan Documents, have the sole and exclusive right (but not the obligation) to adjust settlement of any insurance policy applicable to such Collateral. All proceeds of insurance applicable to the affected Collateral shall (subject to the Loan Parties' rights under the applicable Loan Documents) be applied in the same manner set forth in Sections 4.3 and 4.4 with respect to such Collateral itself and other Proceeds thereof.

4.7 Releases of Collateral.

(a) Within three (3) business days of the request by CNB, Madryn shall execute and deliver such termination statements and releases as CNB shall reasonably request to release the Lien or security interest of Madryn in the subject CNB Priority Collateral in connection with a disposition of such Collateral (and shall be deemed to have consented to such disposition) provided that:

(i) CNB also is releasing (or foreclosing) its Liens on the subject CNB Priority Collateral;

(ii) the sale or disposition is made to a third party on an arm's length basis;

(iii) such sale or disposition (X) is permitted by the terms of the Loan Agreements, (Y) occurs pursuant to an Enforcement Action by CNB, or (Z) occurs after an Event of Default with the consent of CNB; and

(iv) the net proceeds of such disposition are applied to permanently repay the CNB Claim and to reduce the commitments thereunder in an amount equal to such prepayment.

(b) Within three (3) business days of the request by Madryn, CNB shall execute and deliver such termination statements and releases as Madryn shall reasonably request to release the Lien or security interest of CNB in the subject Madryn Priority Collateral in connection with a disposition of such Collateral (and shall be deemed to have consented to such disposition) provided that:

(i) Madryn also is releasing (or foreclosing) its Liens on the subject Madryn Priority Collateral;

(ii) such sale or disposition (X) is permitted by the terms of the Loan Agreements, (Y) occurs pursuant to an Enforcement Action by Madryn, or (Z) occurs after an Event of Default with the consent of Madryn; and

(iii) the net proceeds of such disposition are applied to permanently repay the Madryn Claim and to reduce the commitments thereunder in an amount equal to such prepayment.

4.8 Insolvency Events. (a) Subject to Section 4.11, in the event of any distribution, division, or application, partial or complete, voluntary or involuntary, by operation of law or otherwise, of all or any part of the property of a Loan Party or the proceeds thereof to the creditors of a Loan Party, or the readjustment of any of the Claims, whether by reason of liquidation, bankruptcy, arrangement, receivership, assignment for the benefit of creditors or any other action or proceeding involving the readjustment of all or any part of any of the Claims, or the application of the property of a Loan Party to the payment or liquidation thereof, or upon the dissolution or other winding up of a Loan Party's business, or upon the sale of all or any substantial part of a Loan Party's property (any of the foregoing being hereinafter referred to as an "**Insolvency Event**"), then, and in any such event, and subject to any subordination arrangements to which the Lenders may be subject, (a) all payments and distributions of any kind or character, whether in cash or property or securities in respect of the Lenders' Claims shall be distributed pursuant to the provisions of Sections 2.1, 4.3 and 4.4 hereof; (b) each Lender shall promptly file a claim or claims, on the form required in such proceeding, for the full outstanding amount of such Lender's Claim, and shall use its best efforts to cause said claim or claims to be approved; and (c) in the event that, notwithstanding the foregoing, but subject to the provisions of Sections 2.1, 4.3, and 4.4, any payment or distribution of any kind or character, whether in cash, properties or securities, shall be received by a Lender in excess of the amounts contemplated by such Sections, then the portion of such payment or distribution in excess of such amount shall be received by such Lender in trust for and shall be promptly paid over to the other Lender for application to the payments of amounts due on the other Lender's Claims.

For avoidance of doubt, nothing set forth in this Agreement, including without limitation the allocation of payments contemplated under Section 4.3 and 4.4, is intended to constitute subordination in right of payment of any Lender's Claim to any other Claim, but is intended strictly to constitute the Lenders' agreement as to the subordination of their respective liens in one another's Priority Collateral to the extent and in the manner provided herein.

(b) If any Loan Party shall be subject to any Insolvency Event and the Priority Agent shall desire to permit the use of cash collateral which constitutes such Priority Agent's Priority Collateral or to permit any Loan Party to obtain financing secured by such Priority Collateral (and not by any Collateral which does not constitute such Priority Agent's Priority Collateral), from one or more of the Lenders for whom such Priority Agent acts as Agent, under Section 363 or Section 364 of the Bankruptcy Code or any similar Bankruptcy Law (such financing, a "**DIP Financing**"), then each Agent, (A) agrees that it will raise no objection to such use of cash collateral or DIP Financing nor support any other Person objecting to, such sale, use, or lease of cash collateral or DIP Financing and will not request any form of adequate protection or any other relief in connection therewith (except as agreed by the Priority Agent or to the extent expressly permitted by Section 4.8(e)) and, to the extent the Liens securing the Priority Obligations are subordinated to or *pari passu* with the Liens securing such DIP Financing, the Non-Priority Agent will subordinate its Liens in the Priority Agent's Priority Collateral to (x) the Liens securing such DIP Financing (and all Claims relating thereto), (y) any adequate protection Liens provided to the Priority Lenders and (z) any "carve-out" for professional or United States Trustee fees agreed to by the Priority Agent; and (B) agrees that notice received five (5) calendar days prior to the entry of an order approving such usage of cash collateral or approving such DIP Financing shall be adequate notice; provided that the foregoing shall not prohibit the Non-Priority Agent or the Non-Priority Lenders from objecting solely to any provisions in any agreement regarding the use of cash collateral or any DIP Financing relating to, describing or requiring any provision or content of a plan of reorganization other than any provisions requiring that the DIP Financing be paid in full in cash; provided further, the maximum amount of indebtedness that may be outstanding from time to time in connection with any DIP Financing to be provided by or with the consent of CNB in respect of its Priority Collateral, together with the principal amount of the CNB Claim outstanding at such time (after giving effect to the application of the proceeds of any DIP Financing to refinance all or any portion of the CNB Claim) shall not exceed an amount equal to the CNB Cap at such time.

(c) Each Agent, on behalf of itself and the Lenders for whom it acts as Agent, agrees that it will raise no objection to or oppose a sale or other disposition of any Collateral which does not constitute its Priority Collateral free and clear of its Liens or other claims under Section 363 of the Bankruptcy Code if the Priority Agent has consented to such sale or disposition of such assets so long as the interests of the such Agent and the Lenders for whom it acts as Agent in such Collateral attach to the proceeds thereof, subject to the terms of this Agreement. If requested by the Priority Agent in connection therewith, the Non-Priority Agent shall affirmatively consent to such a sale or disposition.

(d) Each Agent, on behalf of itself and the Lenders for whom it acts as Agent, agrees that none of them shall (i) seek relief from the automatic stay or any other stay in any Insolvency or Liquidation Proceeding in respect of any Collateral which does not constitute its Priority Collateral, without the prior written consent of the Priority Agent, or (ii) oppose any request by the Priority Agent or any Priority Lender to seek relief from the automatic stay or any other stay in any Insolvency or Liquidation Proceeding in respect of their respective Priority Collateral.

(e) Each Agent, on behalf of itself and the Lenders for whom it acts as Agent:

(i) may seek adequate protection of its interest in its respective Priority Collateral and the other Agent, on behalf of itself and the Lenders for whom it acts as Agent, agrees that none of them shall contest (or support any other person contesting) (i) any such request for adequate protection by the Priority Agent or (ii) any objection by the Priority Agent or the Priority Lenders to any motion, relief, action or proceeding based on the Priority Agent or the Priority Lenders claiming a lack of adequate protection of their interests in their respective Priority Collateral;

(ii) acknowledges and agrees that any superpriority administrative expense claim granted to such Agent or arising under 11 U.S.C. § 507(b) as adequate protection of its interest in its respective Priority Collateral shall be *pari passu* with any superpriority administrative expense claim granted to the other Agent as adequate protection of its interest in its respective Priority Collateral;

(iii) may seek adequate protection of its junior interest in Collateral, subject to the provisions of this Agreement, only if (A) the Priority Agent is granted adequate protection in the form of a replacement Lien on post-petition collateral of the same type as the Priority Collateral, and (B) such additional adequate protection requested by such Agent is in the form of a replacement Lien on such post-petition collateral of the same type as the Priority Collateral, which Lien, if granted, will be subordinated to the adequate protection Liens granted in favor of the Priority Agent on such post-petition collateral and the Liens securing any DIP Financing (and all Obligations relating thereto) secured by such Priority Collateral on the same basis as the Liens of the Non-Priority Agent on such Priority Collateral are subordinated to the Liens of the Priority Agent on such Priority Collateral under this Agreement;

(iv) agrees that, in the event an Agent, on behalf of itself or any of the Lenders for whom it acts as Agent, seeks or requests (or is otherwise granted) adequate protection of its junior interest in Collateral in the form of a replacement Lien on additional collateral in any form, then such Agent, on behalf of itself and the Lenders for whom it acts as Agent, the Priority Agent shall also be granted a replacement Lien on such additional collateral as adequate protection of its senior interest in Collateral and that such Agent's replacement Lien shall be subordinated to the replacement Lien of the Priority Agent;

(v) agrees that, if any Agent or Lender receives as adequate protection a Lien on post-petition assets of the same type as its pre-petition Priority Collateral, then such post-petition assets shall also constitute Priority Collateral of such Person to the extent of any allowed claim secured by such adequate protection Lien;

(vi) may seek and receive additional adequate protection of its junior interest in Collateral, subject to the provisions of this Agreement, in the form of a superpriority administrative expense claim, including a claim arising under 11 U.S.C. § 507(b), which superpriority administrative expense claim shall be junior in all respects to any superpriority administrative expense claim granted to the Priority Lenders with respect to such Collateral; and

(vii) agrees that, in the event an Agent, on behalf of itself and the Lenders for whom it acts as Agent, seeks or receives protection of its junior interest in Collateral and is granted a superpriority administrative expense claim, including a claim arising under 11 U.S.C. § 507(b), that the Priority Lenders shall receive a superpriority administrative expense claim which shall be senior in all respects to the superpriority administrative expense claim granted to such Agent with respect to such Collateral.

(f) Neither Agent, nor any of the Lenders for which they act as Agent, shall oppose or seek to challenge (a) any claim by the Priority Agent or any Priority Lender for allowance in any Insolvency or Liquidation Proceeding of Obligations consisting of post-petition interest, fees, costs, charges or expenses to the extent of the value of the Lien of the Priority Agent in such Priority Agent's Priority Collateral, without regard to the existence of the Lien of the other Agent in such Collateral, or (b) any claim by the Non-Priority Agent or any Non-Priority Lender for allowance in any Insolvency or Liquidation Proceeding of Obligations consisting of post-petition interest, fees, costs, charges or expenses to the extent of the value of the lien of the Non-Priority Agent in such Collateral.

4.9 Return of Payments. To the extent any payment for the account of a Loan Party is required to be returned as a voidable transfer or otherwise, the Lenders shall contribute to one another as is necessary to ensure that such return of payment is in accordance with the provisions of Sections 2.2, 4.3, and 4.4.

4.10 Foreclosure.

(a) Credit Bid By Madryn. Nothing set forth herein shall preclude Madryn Lenders from making a credit bid in connection with (i) any foreclosure or sale in an Insolvency Event of any Madryn Priority Collateral, or (ii) any foreclosure or sale in an Insolvency Event of any Collateral, provided that such Madryn Lenders also make a cash bid with respect to any CNB Priority Collateral subject to such foreclosure or sale sufficient to satisfy the CNB Priority Obligations.

(b) Credit Bid by CNB. Nothing set forth herein shall preclude CNB from making a credit bid in connection with (i) any foreclosure or sale in an Insolvency Event of any CNB Priority Collateral, or (ii) any foreclosure or sale in an Insolvency Event of any Collateral, provided that CNB also makes a cash bid with respect to any Madryn Priority Collateral subject to such foreclosure or sale sufficient to satisfy the Madryn Claim.

(c) License of Intellectual Property. Madryn (i) acknowledges and consents to the grant to CNB by the Loan Parties on the date hereof of a limited, non-exclusive royalty-free license (the "Closing Date License") of the Intellectual Property solely as needed to dispose of Inventory in connection with an exercise of remedies and (ii) agrees that its Liens in the Madryn Priority Collateral shall be subject to the Closing Date License.

4.11 Exception for Bank Services. In addition to the provision of Bank Services by CNB, which may be provided on a non-cash secured basis, the parties acknowledge that Borrower may in the future desire to pledge cash and/or securities in connection with the provision by CNB to Borrower of Bank Services. The parties agree that notwithstanding anything to the contrary contained in this Agreement, Borrower may pledge cash and/or securities in the aggregate principal amount of up to One Million Dollars (\$1,000,000) to CNB as collateral to secure its obligations to CNB relating to Bank Services (such cash and/or securities and the proceeds thereof (but expressly excluding any other Collateral) being hereinafter referred to as the "**Cash Collateral**"). The parties further agree that (a) notwithstanding anything to the contrary contained in this Agreement, CNB's lien on the Cash Collateral shall be senior in priority to the Liens of Madryn under the Madryn Loan Documents to the extent of Borrower's reimbursement obligations in respect of Bank Services in the aggregate principal amount of up to One Million Dollars (\$1,000,000) (collectively, the "**Reimbursement Obligations**"), and (b) CNB may extend credit to Borrower in connection with the provision of Bank Services and take such action as CNB deems necessary to enforce its rights and remedies to satisfy the Reimbursement Obligations in respect to Bank Services, all without prior notice to or the consent of Madryn. Madryn may not foreclose upon, or force CNB to take any actions with respect to, the Cash Collateral notwithstanding anything in this Agreement to the contrary. CNB consents to Borrower's grant to Madryn of liens and security interests against the Cash Collateral, and the parties agree that the Cash Collateral and proceeds thereof shall be distributed among the Lenders, after termination and satisfaction of the Reimbursement Obligations to CNB, in the manner and order set forth in Sections 2.1, 4.3 and 4.4, as applicable. This Section 4.11 shall not in any way limit CNB's rights under Sections 4.2 and 4.3. For the avoidance of doubt, the parties acknowledge and agree that notwithstanding anything stated in this Section 4.11 to the contrary, to the extent the Cash Collateral is ever comprised of CNB Priority Collateral it may also be used to secure any other amounts owed by Borrower to CNB and is not limited to One Million Dollars.

4.12 Other Actions. Notwithstanding anything to the contrary set forth in this Agreement, any Lender may:

- (a) file a claim or statement of interest with respect to its Loan or Claims in an Insolvency Event;
- (b) take any action (not adverse to the priority status of the Liens securing the other Lender's Priority Collateral or such other Lender's rights to exercise its rights with respect to such Liens) in order to create, perfect, preserve or protect its Lien on any of its respective Collateral;
- (c) file any necessary responsive or defensive pleadings in opposition to any motion, claim, adversary proceeding or other pleading made by any Person objecting to or otherwise seeking the disallowance of its Loans or Claims, including any claims secured by the Collateral, if any, in each case not prohibited by the terms of this Agreement;
- (d) file any pleadings, objections, motions or agreements which assert rights or interests available to unsecured creditors of any Loan Party arising under either an Insolvency Event or applicable non-bankruptcy law, in each case not prohibited by the terms of this Agreement;
- (e) take any action to the extent necessary to prevent the running of any applicable statute of limitation or similar restriction on claims, or to assert a compulsory cross-claim or counterclaim against a Loan Party;
- (f) vote on any plan of reorganization;
- (g) file any proof of claim, make other filings and make any arguments and motions with respect to its Loans or Claims that are, in each case,
- (h) furnish a notice under the Loan Documents to preserve or enforce its rights with respect thereto, including notices to any Loan Party of the existence of any event of default under the applicable Loan Agreement;
- (i) engage consultants, valuation firms, investment bankers, and perform or engage third parties to perform audits, examinations and appraisals of the Collateral for the sole purpose of valuing the Collateral and not for the purpose of marketing or conducting a disposition of the Collateral; or
- (j) exercise any rights and remedies with respect to its Priority Collateral.

5. EXCULPATION OF AND DELEGATION BY LENDERS

5.1 Exculpation. In connection with any exercise of Enforcement Actions hereunder, no Lender or any of its partners, or any of their respective directors, officers, employees, attorneys, accountants, or agents shall be liable as such for any action taken or omitted by it or them, except for its or their own gross negligence or willful misconduct with respect to its duties under this Agreement.

5.2 Delegation of Duties. Each Lender may execute any of its powers and perform any duties hereunder either directly or by or through agents or attorneys-in-fact. Each Lender shall be entitled to advice of counsel concerning all matters pertaining to such powers and duties. No Lender shall be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it, if the selection of such agents or attorneys-in-fact was done without gross negligence or willful misconduct.

6. RIGHTS IN THE WARRANTS

Notwithstanding anything to the contrary herein, no warrants issued to any Lender (or any affiliate thereof) by a Loan Party, the stock issuable thereunder, any equity securities purchased by any Lender (or any affiliate thereof), any amounts paid thereunder, any dividends, or any other rights in connection therewith shall be subject to the terms and conditions of this Agreement. Nothing herein shall affect any Lender's rights (or the rights of any affiliate thereof as assignee) under any such warrants or stock to administer, manage, transfer, assign, or exercise such warrants or stock for its own account.

7. NO RESPONSIBILITY FOR INVESTIGATION

Each of the Lenders represents that it has made, and agrees that it will continue to make its own independent investigation of the financial condition and affairs of Loan Parties in connection with the making, administration and enforcement of its Loans, and that it has made and shall continue to make its own appraisal of the creditworthiness of the Loan Parties. No Lender shall have any duty or responsibility either initially or on a continuing basis to make any such investigation or any such appraisal on behalf of any other party, or to provide any other party with any credit or other information with respect thereto, whether coming into its possession before the date hereof or any time or times thereafter, and shall further have no responsibility with respect to the accuracy of or the completeness of the information provided to the Lenders by Loan Parties.

8. REPRESENTATIONS AND WARRANTIES

8.1 Due Organization and Qualification. Each Lender represents and warrants to the other parties that it is a corporation or other entity duly existing and in good standing under the laws of its state of organization and it is qualified and licensed to do business in, and is in good standing in, any state in which the conduct of its business or its ownership of property requires that it be so qualified, except for such states as to which any failure so to qualify would not have a material adverse effect on such Lender.

8.2 Authority. Each Lender represents and warrants that it has all necessary power and authority to execute, deliver and perform this Agreement in accordance with the terms hereof and that it has all requisite power and authority to own and operate its properties and to carry on its business as now conducted.

8.3 Authorization; Enforceability. Each Lender represents and warrants that (a) the execution and delivery of this Agreement and the consummation of the transactions contemplated herein have each been duly authorized by all necessary action on its part, and (b) this Agreement has been duly executed and delivered and constitutes a legal, valid and binding obligation of such person, enforceable against it in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency or other similar laws of general application relating to or affecting the enforcement of creditors' rights or by general principles of equity.

9. NOTICES

Unless otherwise provided in this Agreement, all notices or demands by any party relating to this Agreement or any other agreement entered into in connection herewith shall be in writing and (except informal documents which may be sent by first-class mail, postage prepaid) shall be personally delivered or sent by certified mail, postage prepaid, return receipt requested, or by facsimile to the parties, at their respective addresses or fax numbers set forth below:

If to Madryn:

Madryn Asset Management, LP
Attention: John Ricciardi
140 E. 45th Street, 15th Floor, Suite B
New York, NY 10017
Electronic Mail: jricciardi@madrynlp.com
Telephone: (646) 560-5493

with a copy to:

Moore & Van Allen PLLC
Attention: Tripp Monroe
100 North Tryon Street, Suite 4700
Charlotte, NC 28202
Fax: (704) 378-1942
Email: trippmonroe@mvalaw.com

If to CNB:

City National Bank
100 S.E. 2nd Street, 13th Floor
Miami, Florida 33131
Attention: Legal Department
Fax: (305) 533-0144
Email: LegalDepartment@citynational.com

with a copy to:

Greenspoon Marder LLP
Attention: Thomas F. Coyle, Jr.
200 East Broward Boulevard, Suite 1800
Fort Lauderdale, FL 33301
Fax: 954-343-6948
Email: Thomas.Coyle@gmlaw.com

The parties hereto may change the address at which they are to receive notices hereunder, by notice in writing in the foregoing manner given to the other. In addition, each Lender agrees (a) to use its best efforts to notify the other Lender promptly upon receipt of any material written notice from a Loan Party and (b) at the other Lender's request, to send a copy of any such notice to the other Lender, but neither Lender shall have any liability to the other Lender for any inadvertent failure to give such notice under clause (a) or (b) above.

10. NO BENEFIT TO THIRD PARTIES

The terms and provisions of this Agreement shall be for the sole benefit of Lenders, and their respective successors and assigns, and no other person or entity (including any Loan Party) shall have any right, benefit, priority, or interest under, or because of this Agreement.

11. GENERAL PROVISIONS

12.1 Lender's Rights. Madryn, on the one hand (for itself and for each Madryn Lender), and CNB on the other hand (individually, a "**Lender Group**" and collectively, the "**Lender Groups**"), agrees that each Lender Group may at any time, and from time to time, without the consent of the other Lender Groups and without notice to the other Lender: (i) renew or extend any Loan Party's indebtedness and obligations owing to such Lender Group or that of any other person at any time directly or indirectly liable for the payment of thereof; (ii) accept partial payments of its Claims; (iii) settle, release (by operation of law or otherwise), compromise, collect or liquidate any of its Claims; (iv) release, exchange, fail to perfect, delay the perfection of, fail to resort to, or realize upon its Collateral; (v) change, alter or vary the interest charge on, or any other terms or provisions of its Claims or any present or future

instrument, document or agreement with any Loan Party; and (vi) take any other action or omit to take any other action with respect to its Claims as it deems necessary or advisable in its sole discretion; subject, however, in all cases, to the specific provisions of this Agreement. Each Lender Group waives any right to require another Lender Group to proceed first against some Collateral before proceeding against other Collateral, or to exercise certain remedies before exercising other remedies, whether under the equitable doctrine of marshalling or otherwise, but subject, in all cases, to the provisions of this Agreement.

11.2 Non-Avoidability. The subordinations and priorities specified in this Agreement are expressly conditioned upon the non-avoidability and perfection of the security interest to which another security interest is subordinated, and if the security interest to which another security interest is subordinated is not perfected or is avoidable, for any reason, then the subordinations and relative priority provided for in this Agreement shall not be effective as to the particular Collateral that is the subject of the unperfected or avoidable security interest.

11.3 Successors and Assigns. This Agreement shall bind and inure to the benefit of the respective successors and permitted assigns of each of the parties; provided, however, that neither this Agreement nor any rights hereunder may be assigned, transferred or participated by any of the parties hereto without being in compliance with Section 2.3.

11.4 Severability of Provisions. Each provision of this Agreement shall be severable from every other provision of this Agreement for the purpose of determining the legal enforceability of any specific provision.

11.5 Entire Agreement; Construction; Amendments and Waivers.

(a) This Agreement constitutes and contains the entire agreement among the Lenders, and supersedes any and all prior agreements, negotiations, correspondence, understandings and communications between the parties, whether written or oral, respecting the subject matter hereof.

(b) This Agreement is the result of negotiations between and has been reviewed by each of the Lenders executing this Agreement as of the date hereof and their respective counsel; accordingly, this Agreement shall be deemed to be the product of the parties hereto, and no ambiguity shall be construed in favor of or against any party. Lenders agree that they intend the literal words of this Agreement and that no parole evidence shall be necessary or appropriate to establish any of their actual intentions.

(c) Any and all amendments, modifications, discharges or waivers of, or consents to any departures from any provision of this Agreement shall not be effective without the written consent of each Lender against which enforcement of the same is sought. Any waiver or consent with respect to any provision of this Agreement shall be effective only in the specific instance and for the specific purpose for which it was given. Any amendment, modification, waiver or consent effected in accordance with this Section 11.5(c) shall be binding upon each Lender.

11.6 Counterparts. This Agreement may be executed in any number of counterparts, including counterparts transmitted by facsimile or other means of electronic transmission, and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Agreement.

11.7 Termination. This Agreement shall terminate upon the later of (a) irrevocable payment in full to each Lender of all amounts owing to it under the Loan Documents, (b) the termination

of all obligations to lend thereunder and (c) termination of the Loan Documents. Notwithstanding the prior termination of this Agreement, the respective obligations of each Lender to indemnify each other shall survive until all applicable statute of limitations periods with respect to actions that may be brought against Lenders have run.

11.8 Reinstatement. Notwithstanding any provision of this Agreement to the contrary, the rights and obligations of the parties hereunder shall be reinstated and revived if and to the extent that for any reason any payment by or on behalf of a Loan Party is rescinded, or must be otherwise restored by Lenders, whether as a result of any proceedings in bankruptcy or reorganization or otherwise, all as though such amount had not been paid. To the extent any payment is rescinded or restored, the obligations shall be revived in full force and effect without reduction or discharge for that payment.

11.9 Survival. All covenants, representations and warranties made in this Agreement shall continue in full force and effect so long as any obligations remain outstanding hereunder.

12. RELATIONSHIP OF LENDERS

Lenders shall not under any circumstances be construed to be partners or joint venturers of one another; nor shall the Lenders under any circumstances be deemed to be in a relationship of confidence or trust or a fiduciary relationship with one another, or to owe any fiduciary duty to one another. Lenders do not undertake or assume any responsibility or duty to one another to select, review, inspect, supervise, pass judgment upon or otherwise inform each other of any matter in connection with the Loan Parties' property, any Collateral held by any Lender or the operations of the Loan Parties. Each Lender shall rely entirely on its own judgment with respect to such matters, and any review, inspection, supervision, exercise of judgment or supply of information undertaken or assumed by any Lender in connection with such matters is solely for the protection of such Lender.

13. CHOICE OF LAW AND VENUE; AND JURY TRIAL WAIVER

THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW, AND EACH OF THE LENDERS HEREBY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS LOCATED IN THE STATE OF NEW YORK. TO THE EXTENT NOT PROHIBITED BY APPLICABLE STATE LAW, LENDERS HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first above written.

MADRYN HEALTH PARTNERS, LP,
a Delaware limited partnership

By: MADRYN HEALTH ADVISORS, LP, its General Partner

By: MADRYN HEALTH ADVISORS GP, LLC,
its General Partner

By: /s/ Avinash Amin
Name: Avinash Amin
Title: Member

CITY NATIONAL BANK OF FLORIDA

By: /s/ Greg Mangram
Name: Greg Mangram
Title: SVP

The undersigned acknowledges and agrees with the terms of this Agreement.

VENUS CONCEPT INC., a Delaware corporation, for
itself and on behalf of each other Loan Party

By: /s/ Domenic Serafino
Name: Dominic Serafino
Title: Chief Executive Officer