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

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2013

Or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____ .

Commission File Number 001-33092

LEMAITRE VASCULAR, INC.
(Exact name of registrant as specified in its charter)

Delaware	**04-2825458**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
63 Second Avenue, Burlington, Massachusetts	**01803**
(Address of principal executive offices)	**(Zip Code)**

(781) 221-2266
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule12b-2 of the Exchange Act). Yes ☐ No ☒

The registrant had 15,416,169 shares of common stock, $.01 par value per share, outstanding as of October 31, 2013.

LEMAITRE VASCULAR
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Part I. Financial Information

Item 1. Financial Statements

LeMaitre Vascular, Inc.
Consolidated Balance Sheets

	(unaudited) September 30, 2013	December 31, 2012
	(in thousands, except share data)	
Assets		
Current assets:		
Cash and cash equivalents	$ 13,626	$ 16,448
Accounts receivable, net of allowances of $253 at September 30, 2013 and $326 at December 31, 2012	9,273	9,048
Inventories	13,082	10,859
Prepaid expenses and other current assets	3,057	2,776
Total current assets	39,038	39,131
Property and equipment, net	5,984	4,544
Goodwill	15,031	13,749
Other intangibles, net	6,127	5,191
Deferred tax assets	258	273
Other assets	158	172
Total assets	$ 66,596	$ 63,060
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 748	$ 1,060
Accrued expenses	7,409	6,777
Acquisition-related obligations	1,131	557
Total current liabilities	9,288	8,394
Deferred tax liabilities	1,673	1,673
Other long-term liabilities	243	105
Total liabilities	11,204	10,172
Stockholders' equity:		
Preferred stock, $0.01 par value; authorized 3,000,000 shares; none outstanding	—	—
Common stock, $0.01 par value; authorized 37,000,000 shares; issued 16,794,467 shares at September 30, 2013, and 16,539,621 shares at December 31, 2012	168	165
Additional paid-in capital	64,983	64,694
Accumulated deficit	(1,413)	(3,869)
Accumulated other comprehensive loss	(343)	(433)
Treasury stock, at cost; 1,375,155 shares at September 30, 2013, and 1,323,537 shares at December 31, 2012	(8,003)	(7,669)
Total stockholders' equity	55,392	52,888
Total liabilities and stockholders' equity	$ 66,596	$ 63,060

See accompanying notes to consolidated financial statements.

LeMaitre Vascular, Inc.
Consolidated Statements of Operations
(unaudited)

	For the three months ended September 30,		For the nine months ended September 30,	
	2013	2012	2013	2012
	(in thousands, except per share data)			
Net sales	$ 15,300	$ 13,645	$ 46,633	$ 41,934
Cost of sales	4,584	3,630	13,474	11,504
Gross profit	10,716	10,015	33,159	30,430
Sales and marketing	5,205	4,911	16,278	15,310
General and administrative	3,282	2,892	9,231	8,277
Research and development	1,300	1,261	3,841	3,531
(Gain) loss on divestitures	—	(50)	—	2
Medical device excise tax	153	—	463	—
Total operating expenses	9,940	9,014	29,813	27,120
Income from operations	776	1,001	3,346	3,310
Other income (expense):				
Interest income	1	47	4	68
Interest expense	(6)	—	(18)	—
Foreign currency loss	14	7	(102)	(240)
Income before income taxes	785	1,055	3,230	3,138
Provision for income taxes	64	392	774	1,265
Net income	$ 721	$ 663	$ 2,456	$ 1,873
Earnings per share of common stock:				
Basic	$ 0.05	$ 0.04	$ 0.16	$ 0.12
Diluted	$ 0.05	$ 0.04	$ 0.16	$ 0.12
Weighted-average shares outstanding:				
Basic	15,339	15,130	15,262	15,208
Diluted	15,780	15,605	15,707	15,654
Cash dividends declared per common share	$ 0.030	$ 0.025	$ 0.090	$ 0.075

See accompanying notes to consolidated financial statements.

LeMaitre Vascular, Inc.
Consolidated Statements of Comprehensive Income
(unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2013	2012	2013	2012
	(in thousands)			
Net income	$ 721	$ 663	$2,456	$ 1,873
Other comprehensive income:				
Foreign currency translation adjustment, net	310	118	90	106
Total other comprehensive income	310	118	90	106
Comprehensive income	$ 1,031	$ 781	$2,546	$1,979

See accompanying notes to consolidated financial statements.

LeMaitre Vascular, Inc.
Consolidated Statements of Cash Flows
(unaudited)

	For the nine months ended September 30,	
	2013	2012
	(in thousands)	
Operating activities		
Net income	$ 2,456	$ 1,873
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,974	1,633
Stock-based compensation	967	936
Provision for losses in accounts receivable	(51)	140
Provision for inventory write-downs	415	947
Loss on divestitures	—	2
Loss on disposal of property and equipment	37	—
Provision for deferred income taxes	13	—
Foreign currency transaction loss	83	286
Changes in operating assets and liabilities:		
Accounts receivable	63	(101)
Inventory	(1,943)	(3,078)
Prepaid expenses and other assets	(255)	63
Accounts payable and other liabilities	273	1,594
Net cash provided by operating activities	4,032	4,295
Investing activities		
Purchases of property and equipment	(2,438)	(788)
Payments related to acquisitions	(3,291)	(19)
Receipts related to divestitures	—	250
Purchase of intellectual property	(141)	(110)
Net cash used in investing activities	(5,870)	(667)
Financing activities		
Proceeds from issuance of common stock	699	29
Purchase of treasury stock	(334)	(1,985)
Common stock cash dividend paid	(1,374)	(1,140)
Net cash used in financing activities	(1,009)	(3,096)
Effect of exchange rate changes on cash and cash equivalents	25	(25)
Net increase (decrease) in cash and cash equivalents	(2,822)	507
Cash and cash equivalents at beginning of period	16,448	20,132
Cash and cash equivalents at end of period	$ 13,626	$ 20,639
Supplemental disclosures of cash flow information (see Note 12)		

See accompanying notes to consolidated financial statements.

LeMaitre Vascular, Inc.
Notes to Consolidated Financial Statements
September 30, 2013
(unaudited)

1. Organization and Basis for Presentation

Description of Business

Unless the context requires otherwise, references to LeMaitre Vascular, we, our, and us refer to LeMaitre Vascular, Inc. and our subsidiaries. We develop, manufacture, and market medical devices and implants used primarily in the field of vascular surgery. We operate in a single segment in which our principal product lines are balloon catheters, biologic vascular patches, carotid shunts, laparoscopic cholecystectomy devices, radiopaque tape, remote endarterectomy devices, valvulotomes, vascular grafts, vascular patches, vein removal systems, and vessel closure systems. Our offices are located in Burlington, Massachusetts; Mississauga, Canada; Sulzbach, Germany; Milan, Italy; Madrid, Spain; and Tokyo, Japan.

Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (GAAP) for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments, consisting only of normal, recurring adjustments considered necessary for a fair presentation of the results of these interim periods have been included. Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates. Our estimates and assumptions, including those related to bad debts, inventories, intangible assets, sales returns and discounts, share-based compensation, and income taxes are updated as appropriate. The results for the nine months ended September 30, 2013 are not necessarily indicative of results to be expected for the entire year. The information contained in these interim financial statements should be read in conjunction with our audited consolidated financial statements as of and for the year ended December 31, 2012, including the notes thereto, included in our Form 10-K filed with the Securities and Exchange Commission (SEC).

Consolidation

Our consolidated financial statements include the accounts of LeMaitre Vascular and the accounts of our wholly-owned subsidiaries, LeMaitre Vascular GmbH, LeMaitre Vascular GK, Vascutech Acquisition LLC, LeMaitre Acquisition LLC, LeMaitre Vascular SAS, LeMaitre Vascular S.r.l., LeMaitre Vascular Spain SL, LeMaitre Vascular Switzerland GmbH, and LeMaitre Vascular ULC. All significant intercompany accounts and transactions have been eliminated in consolidation.

Correction of an Error

During the second quarter of 2013, we identified an error in our historic inventory valuation that resulted in an understatement of the periodic carrying amount of our inventory. We corrected this error in the second quarter of 2013. As a result of the error, inventory was understated as of December 31, 2011 and 2012 by $0.2 million and $0.4 million, respectively, and cost of sales was overstated by $0.2 million in each of those years. Our financial statements for the nine months ended September 30, 2013 reflect the correction of this error, which resulted in an understatement of cost of sales of $0.4 million and an overstatement of net income of $0.3 million in the nine months ended September 30, 2013. We evaluated the materiality of the error from a qualitative and quantitative perspective and concluded the error was not material to our consolidated financial statements for the years ended December 31, 2011 and 2012, as well as the expected results for the year ending December 31, 2013.

Recent Accounting Pronouncements

In February 2013, the Financial Accounting Standards Board (FASB) issued new guidance which requires disclosure of changes in accumulated other comprehensive income balances by component and significant reclassification adjustments from accumulated other comprehensive income in a single note or on the face of the financial statements. This guidance became effective January 1, 2013. The adoption of this standard, which is related to disclosure only, did not have an impact on our results of operations or financial position.

2. Income Tax Expense

As part of the process of preparing our consolidated financial statements we are required to determine our income taxes in each of the jurisdictions in which we operate. This process involves estimating our actual current tax expense together with assessing temporary differences resulting from recognition of items for income tax and accounting purposes. These differences result in deferred tax assets and liabilities, which are included within our consolidated balance sheet. We must then assess the likelihood that our deferred tax assets will be recovered from taxable income during the carryback period or in the future; and to the extent we believe that recovery is not likely, we must establish a valuation allowance. To the extent we establish a valuation allowance or increase this allowance in a period, we must reflect this increase as an expense within the tax provision in the statement of operations. We do not provide for income taxes on undistributed earnings of foreign subsidiaries, as our current intention is to permanently reinvest these earnings.

We recognize, measure, present and disclose in our financial statements uncertain tax positions that we have taken or expect to take on a tax return. We operate in multiple taxing jurisdictions, both within the United States and outside of the United States, and may be subject to audits from various tax authorities regarding transfer pricing, the deductibility of certain expenses, intercompany transactions, and other matters. Within specific countries, we may be subject to audit by various tax authorities operating within the country and may be subject to different statutes of limitation expiration dates. Management's judgment is required in determining our provision for income taxes, our deferred tax assets and liabilities, liabilities for uncertain tax positions, and any valuation allowance recorded against our net deferred tax assets. We will continue to monitor the realizability of our deferred tax assets and adjust the valuation allowance accordingly.

Our policy is to classify interest and penalties related to unrecognized tax benefits as income tax expense. This policy has been consistently applied in all periods.

Our 2013 income tax expense varies from the statutory rate mainly due to discrete items related to a research and development tax credit earned in 2012, but enacted into law in January 2013 and the recognition of uncertain tax positions as a result of the lapse in the statute of limitations, lower statutory rates from our foreign entities and certain permanent items. Our 2012 income tax expense varied from the statutory rate amounts mainly due to the inclusion of certain foreign entities with losses, from lower statutory rates at our foreign German entity, offset by certain permanent and discrete items.

We have reviewed the tax positions taken, or to be taken, in our tax returns for all tax years currently open to examination by a taxing authority. As of September 30, 2013, the gross amount of unrecognized tax benefits exclusive of interest and penalties was $130,000. We remain subject to examination until the statute of limitations expires for each respective tax jurisdiction. The statute of limitations will be open with respect to these tax positions until 2017. A reconciliation of beginning and ending amount of our unrecognized tax benefits is as follows:

	2013
	(in thousands)
Unrecognized tax benefits at the beginning of year	$ 321
Additions for tax positions of current year	—
Additions for tax positions of prior years	—
Reductions for tax positions of prior years	—
Reductions for lapses of the applicable statutes of limitations	(191)
Unrecognized tax benefits at the end of the period	$ 130

As of September 30, 2013, a summary of the tax years that remain subject to examination in our most significant tax jurisdictions is as follows:

United States	2010 and forward
Foreign	2006 and forward

3. Inventories

Inventories consist of the following:

	September 30, 2013	December 31, 2012
	(in thousands)	
Raw materials	$ 3,223	$ 2,471
Work-in-process	2,525	2,084
Finished products	7,334	6,304
Total inventory	$ 13,082	$ 10,859

We held inventory on consignment of $0.6 million and $0.7 million as of September 30, 2013 and December 31, 2012, respectively.

4. Acquisition and Divestitures

XenoSure Manufacturing and Distribution Rights

In October 2012, we entered into an Asset Purchase Agreement (the Neovasc Agreement) with Neovasc, Inc. and its subsidiary, Neovasc Medical Inc. (collectively Neovasc) to acquire the manufacturing and distribution rights of the XenoSure biologic vascular patch. Previously, we were the exclusive distributor of the XenoSure biologic vascular patch through January 26, 2016 and held an option to purchase the manufacturing and distribution rights. Assets acquired in October 2012 include intellectual property, manufacturing know-how, and a five year non-compete agreement. Other provisions of the Neovasc Agreement include transitional assistance from Neovasc and mutual indemnification for losses arising out of or relating to certain breaches of, and misrepresentations under, the Neovasc Agreement. Additionally, we have entered into a supply agreement with Neovasc while we transition manufacturing to our Burlington facility.

The purchase price for this acquisition was $4.6 million. We paid Neovasc $4.3 million at the closing of the acquisition. The remaining $0.3 million was paid in October 2013. We accounted for the acquisition as a business combination. We recorded $2.8 million of intangible assets and $1.8 million of goodwill. The weighted-average amortization period for the acquired intangible assets is 12.0 years. The goodwill of $1.8 million will be deductible for tax purposes over 15 years.

Clinical Instruments International, Inc.

In July 2013, we entered into an Asset Purchase Agreement with Clinical Instruments International, Inc. (Clinical Instruments) to acquire substantially all the assets of Clinical Instruments for $1.1 million. We paid $0.9 million at the closing and the remaining $0.2 million is payable in October 2014. We accounted for the acquisition as a business combination. Assets acquired include inventory and intellectual property.

The following table summarizes the fair value of the assets acquired and liabilities assumed at the date of the acquisition:

	Allocated Fair Value (in thousands)
Current assets	$ 169
Intangible assets	322
Goodwill	614
Total assets acquired	1,105
Total liabilities assumed	—
	$ 1,105

The goodwill of $0.6 million will be deductible for tax purposes over 15 years.

Of the $0.3 million of acquired intangible assets, the following table reflects the allocation of the acquired intangible assets and related estimated useful lives:

	Allocated Fair Value (in thousands)	**Weighted Average Useful Life**
Non-compete agreement	$ 95	5.0 years
Technology	$ 147	6.0 years
Customer relationships	80	6.0 years
Total intangible assets	$ 322	

InaVein LLC

In August 2013, we entered into an Asset Purchase Agreement with InaVein LLC (InaVein) to acquire substantially all the assets of InaVein for $2.5 million and acquisition-related contingent consideration totaling $1.4 million in 2014 and 2015 dependent on the performance of the acquired business and the timing of regulatory approval in China. We paid $2.1 million at the closing and the remaining $0.4 million is payable in August 2014. We accounted for the acquisition as a business combination. Assets acquired include receivables, inventory, equipment, and intellectual property. Liabilities assumed include payables and service contracts.

The following table summarizes the fair value of the assets acquired and liabilities assumed at the date of the acquisition:

	Allocated Fair Value (in thousands)
Current assets	$ 670
Property and equipment, net	154
Intangible assets	1,143
Goodwill	668
Total assets acquired	2,635
Total liabilities assumed	(100)
	$ 2,535

The goodwill of $0.7 million will be deductible for tax purposes over 15 years.

Of the $1.1 million of acquired intangible assets, the following table reflects the allocation of the acquired intangible assets and related estimated useful lives:

	Allocated Fair Value (in thousands)	Weighted Average Useful Life
Non-compete agreement	$ 70	5.0 years
Tradename	163	8.0 years
Technology	354	6.0 years
Customer relationships	556	7.0 years
Total intangible assets	$ 1,143	

Schaublin Medica SA Distribution Agreement

In October 2012, we entered into a definitive agreement with Schaublin Medica SA (Schaublin) to terminate its distribution of our products in Switzerland and to acquire certain assets and rights from Schaublin effective as of January 1, 2013 for $0.2 million. The purchase price is due in three equal installments with payments made in October 2012 and January 2013 and the final payment due in January 2014. In 2012, we recorded $0.1 million of intangible assets and recognized $0.1 million of transition services as selling expense. We allocated the payment to the tangible and intangible assets acquired based on the estimated fair value of each of these elements to the transaction. The weighted-average amortization period for the acquired intangible assets is 7.0 years.

TryTech Distribution Agreement

In December 2012, we entered into a definitive agreement with TryTech Corporation (TryTech) to terminate its distribution of our products in a certain Japanese territory and to acquire certain assets and rights from TryTech effective as of April 1, 2013 for $0.1 million. The purchase price is due in three equal installments with payments made in December 2012 and March 2013 and the final payment due in March 2014. We recorded $0.1 million of intangible assets. We allocated the payment to the tangible and intangible assets acquired based on the estimated fair value of each of these elements to the transaction. The weighted-average amortization period for the acquired intangible assets is 3.0 years.

Medistim Norge AS Distribution Agreement

In October 2013, we entered into a definitive agreement with Medistim Norge AS (Medistim) to terminate its distribution of our products in Norway and to acquire certain assets and rights from Medistim effective as of January 1, 2014 for $0.2 million. The purchase price is due in three installments with the first payment made in October 2013 and the remaining two payments due in December 2013 and December 2014. We will account for this transaction during the three months ending December 31, 2013.

Tag Medical Pty Ltd Distribution Agreement

In October 2013, we entered into a definitive agreement with Tag Medical Pty Ltd (Tag) to terminate its distribution of our products in Australia and to acquire certain assets and rights from Tag effective as of January 1, 2014 for $0.2 million. The purchase price is due in three installments with the first payment made in November 2013 and the remaining two payments due in December 2013 and December 2014. We will account for this transaction during the three months ending December 31, 2013.

OptiLock Implantable Port

On June 1, 2010, we sold our OptiLock Implantable Port product line to Minvasive Ltd. (Minvasive). In exchange for consideration of approximately $0.2 million, Minvasive received our existing inventory, tangible and intangible assets, and a customer list associated with the product line. Payment terms included $30,000 due at signing, with the remaining balance to be paid in the form of a royalty on future sales. In May 2012, Minvasive provided notice that it was filing for insolvency protection under German law. As a result, we wrote-off the remaining balance of approximately $52,000 as a loss on divestitures during the three months ended June 30, 2012.

TAArget and UniFit Stent Grafts

On June 30, 2011, we sold our TAArget and UniFit stent graft product lines to Duke Vascular, Inc. (Duke). In exchange for consideration of approximately $0.1 million in cash and a $0.5 million promissory note, Duke received most of our existing inventory, tangible and intangible assets, and a customer list associated with the product lines. We received the initial cash payment on June 30, 2011. The $0.5 million promissory note bore interest at 7% and was payable on June 30, 2012. We recorded the estimated fair value of the promissory note as $0.2 million receivable in other long term assets. As a result of this transaction we recorded a net charge of approximately $0.4 million in cost of sales during the year ended December 31, 2011. In 2012, we received $0.5 million which was applied to the outstanding promissory note balance of $0.2 million, interest income, and as a gain on divestiture of $0.3 million.

Our acquisitions have historically been made at prices above the fair value of the acquired identifiable assets, resulting in goodwill, due to expectations of synergies that will be realized by combining businesses. These synergies include the use of our existing sales channel to expand sales of the acquired businesses' products, consolidation of manufacturing facilities, and the leveraging our existing administrative infrastructure. The net assets acquired have been recorded based on estimates of fair value and, for acquisitions completed within the past year, are subject to adjustment upon finalization of the valuation process.

The fair market valuations associated with these transactions fall within Level 3 of the fair value hierarchy, due to the use of significant unobservable inputs to determine fair value. The fair value measurements were calculated using unobservable inputs, primarily using the income approach, specifically the discounted cash flow method. The amount and timing of future cash flows within our analysis was based on our due diligence models, most recent operational budgets, long range strategic plans and other estimates.

5. Goodwill and Other Intangibles

Goodwill consists of the following:

	(in thousands)
Balance at beginning of year	$ 13,749
Additions for acquisitions	1,282
Balance at September 30, 2013	$ 15,031

The components of our identifiable intangible assets were as follows:

	September 30, 2013			December 31, 2012		
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
	(in thousands)					
Patents	$ 5,653	$ 1,768	$ 3,885	$ 5,108	$ 1,339	$ 3,769
Trademarks and technology licenses	1,417	900	517	1,157	821	336
Customer relationships	2,593	1,294	1,299	1,757	1,001	756
Other intangible assets	840	414	426	673	343	330
Total identifiable intangible assets	$10,503	$ 4,376	$6,127	$8,695	$ 3,504	$5,191

These intangible assets are being amortized over their useful lives ranging from 1 to 15 years. The weighted-average amortization period for these intangibles as of September 30, 2013 is 7.7 years. Amortization expense is included in general and administrative expense and is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2013	2012	2013	2012
	(in thousands)			
Amortization expense	$ 323	$ 199	$ 857	$ 677

Estimated amortization expense for the remainder of 2013 and each of the five succeeding fiscal years is as follows:

	2013	2014	2015	2016	2017	2018
	(in thousands)					
Amortization expense	$356	$1,224	$963	$817	$559	$446

6. Accrued Expenses

Accrued expenses consist of the following:

	September 30, 2013	December 31, 2012
	(in thousands)	
Compensation and related taxes	$ 4,210	$ 3,860
Income and other taxes	1,045	963
Professional fees	530	521
Other	1,564	1,433
Total	$ 7,349	$ 6,777

7. Commitments and Contingencies

Purchase Commitments

As of September 30, 2013, as part of our normal course of business, we have purchase commitments to purchase $3.6 million of inventory through 2015.

8. Segment and Enterprise-Wide Disclosures

The FASB establishes standards for reporting information regarding operating segments in financial statements. Operating segments are identified as components of an enterprise about which separate, discrete financial information is available for evaluation by the chief operating decision-maker in making decisions on how to allocate resources and assess performance. We view our operations and manage our business as one operating segment. No discrete operating information is prepared by us except for product sales by product line and by legal entity for local reporting purposes.

Most of our revenues were generated in the United States, Germany, Japan, Canada and other European countries, and substantially all of our assets are located in the United States. Net sales to unaffiliated customers by country were as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2013	2012	2013	2012
	(in thousands)			
United States	$ 9,506	$ 8,811	$ 28,820	$27,191
Germany	1,805	1,419	5,166	4,149
Japan	609	667	1,779	1,955
Other countries	3,380	2,748	10,868	8,639
Net Sales	$15,300	$13,645	$ 46,633	$ 41,934

9. Share-based Compensation

Our 2006 Stock Option and Incentive Plan allows for granting of incentive stock options, non-qualified stock options, stock appreciation rights, restricted stock units, unrestricted stock awards, and deferred stock awards to our officers, employees, directors, and consultants.

The components of share-based compensation expense were as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2013	2012	2013	2012
	(in thousands)			
Stock option awards	$ 252	$ 239	$ 596	$ 530
Restricted stock units	160	167	371	406
Total share-based compensation	$ 412	$ 406	$ 967	$ 936

We have computed the fair values of employee stock options for option grants issued during the nine months ended September 30, 2013 and 2012 using the Black-Scholes option model with the following assumptions:

	2013	2012
Dividend yield	1.8%	1.6%
Volatility	57.9%	61.8%
Risk-free interest rate	1.6%	0.6%
Weighted average expected option term (in years)	5.6	5.5
Weighted average fair value per share of options granted	$ 3.00	$2.91

The weighted-average fair value per share of restricted stock unit grants issued for the nine months ended September 30, 2013 was $6.67. The weighted-average fair value per share of restricted stock unit grants issued for the nine months ended September 30, 2012 was $6.23.

We issued approximately 255,000 and 119,000 shares of common stock following the exercise or vesting of underlying stock options or restricted stock units in the nine months ended September 30, 2013 and 2012, respectively.

10. Net Income per Share

The computation of basic and diluted net income per share was as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2013	2012	2013	2012
	(in thousands, except per share data)			
Basic:				
Net income available for common stockholders	$ 721	$ 663	$ 2,456	$ 1,873
Weighted average shares outstanding	15,339	15,130	15,262	15,208
Basic earnings per share	$ 0.05	$ 0.04	$ 0.16	$ 0.12
Diluted:				
Net income available for common stockholders	$ 721	$ 663	$ 2,456	$ 1,873
Weighted-average shares outstanding	15,339	15,130	15,262	15,208
Common stock equivalents, if diluted	441	475	445	446
Shares used in computing diluted earnings per common share	15,780	15,605	15,707	15,654
Diluted earnings per share	$ 0.05	$ 0.04	$ 0.16	$ 0.12
Shares excluded in computing diluted earnings per share as those shares would be anti-dilutive	395	523	438	559

11. Stockholders' Equity

Authorized Shares

On June 14, 2012, our stockholders approved an amendment (Charter Amendment) to our Second Amended and Restated Certificate of Incorporation to reduce the number of authorized shares of common stock from 100,000,000 to 37,000,000 shares and of undesignated preferred stock from 5,000,000 to 3,000,000 shares. The Charter Amendment was previously approved by our Board of Directors on April 12, 2012, subject to approval by our stockholders. The Charter Amendment was filed with the Secretary of State of the State of Delaware on June 14, 2012.

Stock Repurchase Plan

In July 2009, our Board of Directors authorized a repurchase of our common stock from time to time on the open market or in privately negotiated transactions. In November 2011, our Board of Directors increased this authorization to $10.0 million and extended the program through December 31, 2013. The timing and number of any shares repurchased will be determined based on our evaluation of market conditions and other factors. Repurchases may also be made under a Rule 10b5-1 plan, which would permit shares to be repurchased when we might otherwise be precluded from doing so under insider trading laws. The repurchase program may be suspended or discontinued at any time and will conclude no later than December 31, 2013, unless otherwise extended by our Board of Directors. The repurchase program is being funded using our available cash and cash equivalents. We have the authority to purchase $3.5 million of shares of our common stock remaining under the repurchase program as of September 30, 2013. The following is a summary of the stock repurchase activity for the nine months ended:

	September 30, 2013		September 30, 2012	
	Shares Purchased	Total Purchased	Shares Purchased	Total Purchased
		($ in thousands)		
Share repurchases	15,323	$ 88	304,846	$ 1,759

Dividends

In February 2011, our Board of Directors approved a policy for the payment of quarterly cash dividends on our common stock. Future declarations of quarterly dividends and the establishment of future record and payment dates are subject to approval by our Board of Directors on a quarterly basis. The dividend activity for the periods presented is as follows:

Record Date	Payment Date	Per Share Amount	Dividend Payment (in thousands)
Fiscal Year 2013			
March 20, 2013	April 3, 2013	$ 0.030	$ 457
May 22, 2013	June 5, 2013	$ 0.030	$ 457
August 21, 2013	September 4, 2013	$ 0.030	$ 460
Fiscal Year 2012			
March 20, 2012	April 3, 2012	$ 0.025	$ 381
May 18, 2012	June 4, 2012	$ 0.025	$ 379
August 17, 2012	August 31, 2012	$ 0.025	$ 380
November 20, 2012	December 4, 2012	$ 0.025	$ 378

On October 23, 2013, our Board of Directors approved a quarterly cash dividend on our common stock of $0.03 per share payable on December 4, 2013 to stockholders of record at the close of business on November 20, 2013, which will total approximately $0.5 million.

12. Supplemental Cash Flow Information

	Nine months ended September 30,	
	2013	2012
	(in thousands)	
Cash paid (refunded) for income taxes, net	$ 755	$ 163
Common stock repurchased for RSU tax withholdings	$ 246	$ 200

13. Fair Value Measurements

The fair value accounting guidance requires that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

- Level 1 — Quoted prices in active markets for identical assets or liabilities.
- Level 2 — Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3 — Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

As of September 30, 2013, we had cash equivalents in a money market fund that was valued using Level 1 inputs (quoted market prices for identical assets) at a fair value of $8.3 million.

We had no Level 2 assets being measured at fair value on a recurring basis as of September 30, 2013.

We determine the fair value of acquisition-related contingent consideration based on assessment of the probability that we would be required to make such future payment. The following table provides a rollforward of the fair value, as determined by Level 3 inputs:

	Nine months ended September 30, 2013
Beginning balance	$ —
Additions	35
Change in fair value included in earnings	—
Ending Balance	$ 35

14. Accumulated Other Comprehensive Loss

Our accumulated other comprehensive loss consisted of foreign currency translation for the nine months ended September 30, 2013 and 2012, respectively.

	Nine months ended September 30,	
	2013	2012
Beginning balance	$ (433)	$ (606)
Other comprehensive income before reclassifications	90	106
Amounts reclassified from accumulated other comprehensive loss	—	—
Net current period other comprehensive income	90	106
Ending Balance	$ (343)	$ (500)

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This Quarterly Report on Form 10-Q contains forward-looking statements (within the meaning of the federal securities law) that involve substantial risks and uncertainties. All statements, other than statements of historical facts, included in this report regarding our strategy, future operations, future financial position, future net sales, projected costs, projected expenses, prospects and plans and objectives of management are forward-looking statements. The words "anticipates," "believes," "estimates," "expects," "intends," "may," "plans," "projects," "will," "would," and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. We have based these forward-looking statements on our current expectations and projections about future events. Although we believe that the expectations underlying any of our forward-looking statements are reasonable, these expectations may prove to be incorrect, and all of these statements are subject to risks and uncertainties. Should one or more of these risks and uncertainties materialize, or should underlying assumptions, projections, or expectations prove incorrect, our actual results, performance, or financial condition may vary materially and adversely from those anticipated, estimated, or expected. These risk and uncertainties include, but are not limited to: the risk that the Company may not realize the anticipated benefits of its strategic activities; the risk that assumptions about the market for the Company's products and the productivity of the Company's direct sales force and distributors may not be correct; risks related to the integration of acquisition targets; risks related to product demand and market acceptance of the Company's products; the risk that the XenoSure product is not as accretive and does not achieve the gross margins currently anticipated by the Company; the risk that the Company experiences increased expense, production delays or quality difficulties in the transition of the XenoSure manufacturing operations; risks related to attracting, training and retaining sales representatives and other employees in new markets such as Australia and Norway; and the risk that the Company is not successful in transitioning to a direct-selling model in new territories.

Forward-looking statements reflect management's analysis as of the date of this quarterly report. Further information on potential risk factors that could affect our business and financial results is detailed in Part II, Item 1A, "Risk Factors" in this Quarterly Report on Form 10-Q and in our other filings with the Securities and Exchange Commission, including under the section headed "Risk Factors" in our most recent Annual Report on Form 10-K. Given these risks, uncertainties and other factors, you should not place undue reliance on these forward-looking statements. The following discussion and analysis should be read in conjunction with our consolidated financial statements and the related notes included in this report and our other SEC filings, including our audited consolidated financial statements and the related notes contained in our Annual Report on Form 10-K for the year ended December 31, 2012, as filed with the SEC on March 27, 2013. We do not assume any obligation to update any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by law.

Unless the context requires otherwise, references to "LeMaitre Vascular," "we," "our," and "us" in this Quarterly Report on Form 10-Q refer to LeMaitre Vascular, Inc. and its subsidiaries.

LeMaitre, AlboGraft, AlboSure, LifeSpan, Trivex, UnBalloon, and XenoSure are registered trademarks of LeMaitre Vascular, and MultiTASC is an unregistered trademark of LeMaitre Vascular. This Quarterly Report on Form 10-Q also includes the registered and unregistered trademarks of other persons, which are the property of their respective owners.

Overview

We are a medical device company that develops, manufactures, and markets medical devices and implants for the treatment of peripheral vascular disease. Our principal product offerings are sold throughout the world, primarily in the United States, the European Union and, to a lesser extent, Japan and Canada. We estimate that the annual worldwide market for all peripheral vascular devices approximates $3 to $4 billion, within which our core product lines address roughly $800 million. We have grown our business by using a three-pronged strategy: focusing on the vascular surgeon customer, competing in niche markets, and expanding our sales platform by increasing our worldwide direct sales force and acquiring and developing complementary vascular devices. We have used acquisitions as a primary means of further accessing the larger peripheral vascular device market, and we expect to continue to pursue this strategy in the future. Additionally, we have increased our efforts to expand our vascular device offerings through new product development efforts. We currently manufacture most of our product lines in our Burlington, Massachusetts, headquarters.

Our products are used by vascular surgeons who treat peripheral vascular disease through both open surgical methods and endovascular techniques. In contrast to interventional cardiologists and interventional radiologists, neither of whom are certified to perform open surgical procedures, vascular surgeons can perform both open surgical and minimally invasive endovascular procedures, and are therefore uniquely positioned to provide a wider range of treatment options to patients.

Our principal product lines include the following: balloon catheters, biologic vascular patches, carotid shunts, laparoscopic cholecystectomy devices, radiopaque marking tape, remote endarterectomy devices, valvulotomes, vascular grafts, vascular patches, vein removal systems, and vessel closure systems.

Historically we have experienced comparatively greater success in niche product markets characterized by low or limited competition and higher product technology differentiation, for example the market for valvulotome devices. In the valvulotome market, we believe that we have been able to increase selling prices without compromising market share. There can be no assurance that we will not meet resistance to increased selling prices in the future. In contrast, we have experienced comparatively lesser success in more competitive product markets where there is less product technology differentiation, such as prosthetic polyester and ePTFE grafts, where we face stronger competition from larger companies with greater resources. While there can be no assurance that we will be successful in more competitive and less differentiated markets, we believe that these challenging market dynamics can be mitigated by our strong relationships with our vascular surgeon customers. For example, in the biologic patch market, we have been able to increase our market share significantly, mainly through the conversion of competitor accounts to our vascular biologic patch.

Our business opportunities include the following:

- the long-term growth of our sales force in North America, Europe and Japan, sometimes in connection with terminations of certain distributor relationships in order to expand our sales presence in new countries;
- the addition of complementary products through acquisitions;
- the updating of existing products and introduction of new products through research and development;
- the introduction of our products in new markets upon obtainment of regulatory approvals in these markets; and
- the consolidation of product manufacturing into our Burlington, Massachusetts corporate headquarters.

We sell our products primarily through a direct sales force. As of September 30, 2013 our sales force was comprised of 87 sales representatives in North America, Europe, and Japan. We also sell our products in other countries through distributors. Our worldwide headquarters is located in Burlington, Massachusetts. Our international operations are headquartered in Sulzbach, Germany. We also have sales offices located in Tokyo, Japan; Mississauga, Canada; Madrid, Spain; and Milan, Italy. For the nine months ended September 30, 2013 approximately 93% of our net sales were generated in markets in which we employ direct sales representatives.

Because we believe that direct-to-hospital sales engender closer customer relationships, and allow for higher selling prices and gross margins, we periodically enter into transactions with our distributors to transition their sales of our medical devices to our direct sales organization:

- In October 2012, we entered into a definitive agreement with Schaublin Medica SA (Schaublin) to terminate its distribution of our products in Switzerland effective January 1, 2013. The agreement required us to pay approximately $0.2 million in exchange for the purchase of their customer list for our products, certain customer contracts, sales and marketing transition services, and minimal inventory.
- In December 2012, we entered into a definitive agreement with TryTech Corporation to terminate its distribution of our products in a certain Japanese territory effective as of April 1, 2013. The agreement required us to pay approximately $0.1 million in exchange for the purchase of their customer list for our products, certain customer contracts, sales and marketing transition services, and minimal inventory.

- In March 2013, we began shipping directly to our Canadian customers from our sales office in Mississauga, Canada.
- In October 2013, we entered into a definitive agreement with Medistim Norge AS (Medistim) to terminate its distribution of our products in Norway effective January 1, 2014. The agreement required us to pay approximately $0.2 million in exchange for the purchase of their customer list for our products, sales and marketing transition services, and minimal inventory.
- In October 2013, we entered into a definitive agreement with Tag Medical Pty Ltd (Tag) to terminate its distribution of our products in Australia effective January 1, 2014. The agreement required us to pay approximately $0.2 million in exchange for the purchase of their customer list for our products, certain customer contracts, sales and marketing transition services, and minimal inventory.

We anticipate that the expansion of our direct sales organization in Canada and Switzerland will result in increased sales and marketing expenses during 2013. We anticipate that going direct in Norway and Australia will result in increased administrative, selling, and marketing expenses in 2014.

Our strategy for growing our business includes the acquisition of complementary product lines and companies and occasionally the discontinuance or divestiture of products or activities that are no longer complementary:

- In June 2011, we divested our TAArget and UniFit stent grafts to Duke Vascular, Inc. for $0.6 million. In addition, Duke Vascular, Inc. assumed our future obligations for the associated UNITE and ENTRUST clinical trials.
- In August 2011, we terminated our distribution of Endologix's aortic stent graft products in Europe in exchange for $1.3 million.
- In October 2012, we acquired the manufacturing and distribution rights of the XenoSure biologic vascular patch from Neovasc, Inc. for $4.6 million, having previously been an exclusive distributor of the XenoSure biologic vascular patch since 2008.
- In July 2013, we acquired substantially all of the assets of Clinical Instruments International, Inc. (Clinical Instruments), a manufacturer of latex and latex free shunts and catheters, for $1.1 million.
- In August 2013, we acquired substantially all of the assets of InaVein LLC (InaVein), a manufacturer of a varicose veins removal system. The purchase price consisted of $2.5 million plus acquisition-related contingent consideration totaling $1.4 million in 2014 and 2015 based on the performance of the acquired business and regulatory approval in China.

In addition to relying upon acquisitions to grow our business, we also rely on our product development efforts to bring differentiated technology and next-generation products to market. These efforts have led to the following recent product developments:

- In December 2011, we launched the Over-The-Wire LeMaitre Valvulotome.
- In March 2013, we launched the MultiTASC device.
- In April 2013, we launched the 1.5mm LeMaitre Valvulotome.
- In June 2013, we launched AlboSure.

In addition to our sales growth strategies, we have also executed several operational initiatives designed to consolidate and streamline manufacturing within our Burlington, MA facilities. We expect that these plant consolidations will result in improved control over our production capacity as well as reduced costs over the long-term. Our most recent manufacturing transitions included:

- In May 2011, we adopted a reorganization plan that was designed to eliminate redundant costs resulting from our 2010 acquisition of the LifeSpan vascular graft and to improve efficiencies in manufacturing operations. We have completed the transition of LifeSpan vascular graft manufacturing into our existing corporate headquarters in Burlington, Massachusetts.
- In November 2012, we initiated a project to build a third clean room for our newly acquired XenoSure biologic vascular patch. We expect this transition to our Burlington facility to continue into the second quarter of 2014 resulting in a negative impact to our gross profit. Once the transition is complete, we

expect the gross margins on our XenoSure biologic vascular patch to improve beginning in the second half of 2014; however, there can be no assurance that these results will be achieved, if at all. Further, the production of the XenoSure biologic vascular patch will be our first experience in manufacturing biological tissues. There can be no assurance that we will not experience delays or additional expenses associated with this transfer.

Our execution of these strategies may affect the comparability of our financial results from period to period and may cause substantial fluctuations from period to period, as we incur related restructuring and other non-recurring charges, as well as longer term impacts to revenues and operating expenditures. For example, in 2011 we exited the stent graft business and realized gains of approximately $0.7 million in 2011 and $0.2 million in 2012.

Fluctuations in the rate of exchange between the U.S. dollar and foreign currencies, primarily the Euro, affect our financial results. For the nine months ended September 30, 2013, approximately 34% of our sales were from outside the Americas. We expect foreign currencies will continue to represent a similarly significant percentage of our sales in the future. Selling, marketing, and administrative costs related to these sales are largely denominated in the same respective currency, thereby partially mitigating our transaction risk exposure. However, most of our foreign sales are denominated in local currency, and if there is an increase in the rate at which a foreign currency is exchanged for U.S. dollars, it will require more of the foreign currency to equal a specified amount of U.S. dollars than before the rate increase. In such cases we will report less sales in U.S. dollars than we did before the rate increase went into effect.

Adjustments to Previously Issued Unaudited Preliminary Results of Operations

We recorded an additional provision for income taxes of $60,000 for the three months ending September 30, 2013 due to higher income taxes than expected on certain stock option exercises since the reporting of our preliminary results on October 29, 2013, which reduced net income by $60,000 in the period.

Results of Operations

Comparison of the three and nine months ended September 30, 2013 to the three and nine months ended September 30, 2012.

The following tables set forth, for the periods indicated, our results of operations, net sales by geography, and the change between the specified periods expressed as a percentage increase or decrease:

	Three months ended September 30,			Nine months ended September 30,		
(unaudited)	2013	2012	Percent change	2013	2012	Percent change
	($ in thousands)					
Net sales	$ 15,300	$ 13,645	12%	$ 46,633	$ 41,934	11%
Net sales by geography:						
Americas	$ 10,166	$ 9,279	10%	$ 30,777	$ 28,429	8%
International	5,134	4,366	18%	15,856	13,505	17%
Total	$ 15,300	$ 13,645	12%	$ 46,633	$ 41,934	11%

Net sales. Net sales increased 12% to $15.3 million for the three months ended September 30, 2013, compared to $13.6 million for the three months ended September 30, 2012. Sales increases for the three months ended September 30, 2013 were primarily driven by increased sales in biologic vascular patches of $0.7 million, catheters of $0.3 million, shunts of $0.3 million, valvulotomes of $0.2 million, and Dacron grafts of $0.2 million, and were partially offset by decreased sales of radiopaque tape of $0.2 million. The Clinical and InaVein acquisitions contributed $0.3 million of sales during the three months ended September 30, 2013.

Net sales increased 11% to $46.6 million for the nine months ended September 30, 2013, compared to $41.9 million for the nine months ended September 30, 2012. Sales increases for the nine months ended September 30, 2013 were primarily driven by increased sales in biologic vascular patches of $1.9 million, valvulotomes of $0.9 million, catheters of $0.8 million, Dacron grafts of $0.5 million, and vessel closure systems of $0.5 million, and were partially offset by decreased sales of radiopaque tape and non-occlusive modeling catheters. The primary drivers in the increased sales were higher average selling prices across all product lines, increases in unit sales, and the recovery of Dacron graft sales previously prohibited in certain European countries.

Direct-to-hospital net sales were 93% for the nine months ended September 30, 2013, down from 95% for the nine months ended September 30, 2012.

Net sales by geography. Net sales in the Americas increased by $0.9 million for the three months ended September 30, 2013. The increase was primarily driven by increased sales of biologic vascular patches, vessel closure systems, and newly acquired products, as well as higher average selling prices across nearly all product lines, and was partially offset by decreased sales of radiopaque tape. International net sales increased $0.8 million for the three months ended September 30, 2013. The increase was primarily driven by increased sales of biologic vascular patches, catheters, valvulotomes, and Dacron grafts.

Net sales in the Americas increased by $2.3 million for the nine months ended September 30, 2013. The increase was primarily driven by increased sales of biologic vascular patches, valvulotomes, vessel closure systems, and catheters, as well as higher average selling prices across nearly all product lines, and was partially offset by decreased sales of radiopaque tape of $0.4 million. International net sales increased $2.4 million for the nine months ended September 30, 2013. The increase was primarily driven by increased sales of biologic vascular patches, catheters, Dacron grafts, and valvulotomes.

	Three months ended September 30,				Nine months ended September 30,			
(unaudited)	2013	2012	$ Change	Percent change	2013	2012	$ Change	Percent change
	($ in thousands)							
Gross profit	$10,716	$10,015	$ 701	7%	$33,159	$30,430	$ 2,729	9%
Gross margin	70.0%	73.4%	*	(3.4%)	71.1%	72.6%	*	(1.5%)

* Not applicable

Gross Profit. Gross profit increased 7% to $10.7 million for the three months ended September 30, 2013, while gross margin decreased 3.4% to 70% in the same period. The gross margin decrease was largely driven by, unfavorable geographic and product mix, start-up costs associated with our biologic vascular patch manufacturing as well as transition costs associated with our newly acquired Clinical manufacturing facility. These decreases were partially offset by non-recurring inventory write-offs associated with our Dacron graft manufacturing in 2012 and higher average selling prices across all product lines. The gross profit increase was a result of higher sales.

Gross profit increased 9% to $33.2 million for the nine months ended September 30, 2013, while gross margin decreased 1.5% to 71.1% in the same period. The gross margin decrease was largely driven by unfavorable geographic mix, increased sales of our lower margin biologic vascular patches, and start-up costs associated with our biologic vascular patch. These decreases were partially offset by non-recurring inventory write-offs associated with our Dacron graft manufacturing in 2012, higher average selling prices across all product lines, improved manufacturing efficiencies and the correction of an inventory valuation error recorded in the second quarter of 2013. The gross profit increase was a result of higher sales.

In October 2012, we entered into a definitive agreement with Neovasc, Inc. to acquire the manufacturing and distribution rights of the XenoSure biologic vascular patch, which we expect will continue to negatively affect gross margin through the second quarter of 2014 as we transition production to our Burlington facility. We expect to realize efficiencies which may improve gross margins on our XenoSure biologic vascular patch beginning in the second half of 2014.

(unaudited)	Three months ended September 30, 2013	2012	$ change	Percent change	Nine months ended September 30, 2013	2012	$ change	Percent change
					($ in thousands)			
Sales and marketing	$5,205	$4,911	$ 294	6%	$16,278	$15,310	$ 968	6%
General and administrative	3,282	2,892	390	13%	9,231	8,277	954	12%
Research and development	1,300	1,261	39	3%	3,841	3,531	310	9%
Loss on divestitures	—	(50)	50	*	—	2	(2)	*
Medical device excise tax	153	—	153	*	463	—	463	*
Total	$ 9,940	$ 9,014	$ 926	10%	$ 29,813	$27,120	$2,693	10%

	Three months ended September 30, 2013 % of Net Sales	2012 % of Net Sales	Change	Nine months ended September 30, 2013 % of Net Sales	2012 % of Net Sales	Change
Sales and marketing	34%	36%	(2%)	35%	37%	(2%)
General and administrative	21%	21%	0%	20%	20%	0%
Research and development	8%	9%	(1%)	8%	8%	0%
Loss on divestitures	0%	0%	0%	0%	0%	0%
Medical device excise tax	1%	0%	1%	1%	0%	1%

* Not a meaningful percentage relationship.

Sales and marketing. For the three months ended September 30, 2013, sales and marketing expense increased 6% to $5.2 million. Selling expense increased $0.4 million while marketing expense decreased by $0.1 million. Selling expense increases were driven by increased compensation and other personnel related costs of $0.3 million, primarily due to additional sales personnel in Switzerland and Canada. Marketing expense decreases were largely driven by a reduction of direct marketing and advertising expenses. As a percentage of net sales, sales and marketing expense was 34% in the three months ended September 30, 2013.

For the nine months ended September 30, 2013, sales and marketing expense increased by 6% to $16.2 million. Selling expense increased $1.3 million while marketing expense decreased by $0.3 million. Selling expense increases were driven by increased compensation and other personnel related costs of $1.0 million, partially due to additional sales personnel in Switzerland and Canada, and increased sales meetings and related costs of $0.2 million. Marketing expense decreases were largely driven by a $0.3 million reduction in advertising costs which was offset by an increase in compensation expenses of $0.1 million. As a percentage of net sales, sales and marketing expense was 35% in the nine months ended September 30, 2013.

General and administrative. For the three months ended September 30, 2013, general and administrative expense increased 13% to $3.3 million. The increase was largely the result of expenses associated with our newly formed subsidiary in Canada, increased compensation costs of $0.2 million, increased professional services costs of $0.2 million, and increased intangible amortization of $0.1 million, which was partially offset by decreased employee termination and bad debt costs. As a percentage of net sales, general and administrative expense was 21% in the three months ended September 30, 2013.

For the nine months ended September 30, 2013, general and administrative expense increased 12% to $9.2 million. The increase was largely the result of expenses associated with our newly formed subsidiary in Canada, increased compensation costs of $0.5 million, increased professional services costs of $0.5 million, and increased intangibles amortization of $0.2 million, which was partially offset by decreased employee termination and bad debt costs. As a percentage of net sales, general and administrative expense was 20% in the nine months ended September 30, 2013.

Research and development. For the three months ended September 30, 2013, research and development expense increased 3% to $1.3 million. Product development expense decreased $0.1 million primarily due to decreased product testing costs. Clinical and regulatory expense increased $0.1 million primarily due to increased testing costs. As a percentage of net sales, research and development expense was 8% for the three months ended September 30, 2013.

For the nine months ended September 30, 2013, research and development expense increased 9% to $3.8 million. Product development expense increased $0.1 million primarily due to increased compensation expense.

Clinical and regulatory expense increased $0.2 million mainly due to increased compensation and outside services. As a percentage of net sales, research and development expense was 8% for the nine months ended September 30, 2013.

Medical device excise tax. Commencing in 2013, we were subject to a medical device excise tax of 2.3% of sales within the United States. The medical device excise tax was $0.2 million and $0.5 million for the three months and nine months ended September 30, 2013, respectively. We estimate this tax will negatively affect income from operations by approximately $0.7 million in 2013.

Gain / loss on divestitures. We recorded a $0.1 million gain on divestiture relating to our TAArget and UniFit stent graft product lines as a result of payments received from Duke Vascular during the three months ended September 30, 2012. We recorded a $0.1 million write-off on a note receivable associated with our 2010 Optilock divesture as the acquirer provided notice that it was filing for insolvency protection under German law in the second quarter of 2012.

Foreign exchange gains / losses. Foreign exchange losses for the nine months ended September 30, 2013 were $0.1 million. For the nine months ended September 30, 2012, foreign exchange losses were $0.2 million, primarily the result of a cumulative translation adjustment recorded at our Biomateriali subsidiary upon the liquidation and dissolution of that legal entity.

Income tax expense. We recorded a provision for taxes of $0.1 million on pre-tax income of $0.8 million for the three months ended September 30, 2013, compared to $0.4 million on pre-tax income of $1.1 million for the three months ended September 30, 2012. We recorded a provision for taxes of $0.8 million on pre-tax income of $3.2 million for the nine months ended September 30, 2013, compared to $1.3 million on a pre-tax income of $3.1 million for the nine months ended September 30, 2012. Our 2013 provision was based on the estimated annual effective tax rate of 35.2%, comprised of estimated federal and state income taxes of approximately $1.6 million, as well as foreign income taxes of $0.3 million. Our income tax expense for the current period varies from the statutory rate amounts mainly due to discrete items related to a $0.2 million research and development tax credit earned in 2012, but enacted into law in January 2013 and the recognition of $0.2 million of uncertain tax positions as a result of the lapse in the statute of limitations, lower statutory rates from our foreign entities and certain permanent items. Our September 30, 2012 provision for taxes was based on the estimated annual effective tax rate of 39.4% and was comprised of estimated federal and state income taxes of approximately $1.0 million, as well as a foreign income tax benefit of $0.1 million. Our 2012 income tax expense varied from the statutory rate amounts mainly due to the inclusion of certain foreign entities with losses, from lower statutory rates at our foreign German entity, offset by certain permanent and discrete items. We monitor the mix of profitability by tax jurisdiction and adjust our annual expected rate on a quarterly basis as needed. While it is often difficult to predict the final outcome or timing of the resolution for any particular tax matter, we believe that our tax reserves reflect the probable outcome of known contingencies.

We have assessed the need for a valuation allowance against our deferred tax assets and concluded that as of September 30, 2013, we will continue to carry a valuation allowance against $3.1 million of deferred tax assets, principally foreign net operating loss carry-forwards, which based on the available evidence, we believe it is more likely than not that such assets will not be realized.

For the remainder of 2013, we expect that our effective tax rate will be comparable to the statutory tax rates less the benefits related to research and development tax credits from both 2012 and 2013 as a result of legislation enacted in January 2013, reductions in uncertain tax positions due to the lapse of the statute of limitations and the benefit from the exercise of certain stock options.

Liquidity and Capital Resources

At September 30, 2013, our cash and cash equivalents were $13.6 million as compared to $16.4 million at December 31, 2012. Our cash and cash equivalents are highly liquid investments with maturities of 90 days or less at the date of purchase and consist of money market funds, and are stated at cost, which approximates fair value. We did not hold any marketable securities nor any mortgage asset-backed or auction-rate securities in our investment portfolio as of September 30, 2013. All of our cash held outside of the United States is available for corporate use.

Operating and Capital Expenditure Requirements

We require cash to pay our operating expenses, make capital expenditures, and pay our long-term liabilities. Since our inception, we have funded our operations through public offering and private placements of equity securities, short-term borrowings, and funds generated from our operations.

We recognized operating income of $3.3 million for the nine months ended September 30, 2013. For the year ended December 31, 2012, we recognized operating income of $4.2 million. We expect to fund any increased costs and expenditures from our existing cash and cash equivalents, though our future capital requirements depend on numerous factors. These factors include, but are not limited to, the following:

- the revenues generated by sales of our products;
- payments associated with the acquisitions of InaVein and Clinical Instruments;
- payments associated with the buyout of distributors such as in Norway and Australia;
- payments associated with potential future quarterly cash dividends to our common stockholders;
- payments associated with our stock repurchase plan;
- payments associated with U.S income taxes or other taxes, such as the medical device tax which we estimate will be approximately $0.7 million in 2013;
- the costs associated with expanding our manufacturing, marketing, sales, and distribution efforts;
- the rate of progress and cost of our research and development activities;
- the costs of obtaining and maintaining FDA and international regulatory clearances of our existing and future products;
- the effects of competing technological and market developments; and
- the number, timing, and nature of acquisitions and other strategic transactions.

Our cash balances may decrease as we continue to use cash to fund our operations, make acquisitions, make purchases under our share repurchase program, make payments under our quarterly dividend program, and make deferred payments related to prior acquisitions. We believe that our cash and cash equivalents and the interest we earn on these balances will be sufficient to meet our anticipated cash requirements for at least the next twelve months. If these sources of cash are insufficient to satisfy our liquidity requirements beyond the next twelve months, we may seek to sell additional equity or debt securities or borrow funds from, or establish a revolving credit facility with, a financial institution. The sale of additional equity and debt securities may result in dilution to our stockholders. If we raise additional funds through the issuance of debt securities, such securities could have rights senior to those of our common stock and could contain covenants that would restrict our operations and possibly our ability to pay dividends. We may require additional capital beyond our currently forecasted amounts. Any such required additional capital may not be available on reasonable terms, if at all.

Stock Repurchase Plan

In July 2009, our Board of Directors authorized a repurchase of our common stock from time to time on the open market or in privately negotiated transactions. In November 2011, our Board of Directors increased this authorization to $10.0 million and extended the program through December 31, 2013. The timing and number of any shares repurchased will be determined based on our evaluation of market conditions and other factors. Repurchases may also be made under a Rule 10b5-1 plan, which would permit shares to be repurchased when we might otherwise be precluded from doing so under insider trading laws. The repurchase program may be suspended or discontinued at any time and will conclude no later than December 31, 2013, unless otherwise extended by our Board of Directors. The repurchase program is being funded using our available cash and cash equivalents. We have the authority to purchase $3.5 million of shares of our common stock remaining under the repurchase program as of September 30, 2013. The following is a summary of the stock repurchase activity for the nine months ended:

	September 30, 2013		September 30, 2012	
	Shares Purchased	Total Purchased	Shares Purchased	Total Purchased
		($ in thousands)		
Share repurchases	15,323	$ 88	304,846	$ 1,759

Dividends

In February 2011, our Board of Directors approved a policy for the payment of quarterly cash dividends on our common stock. Future declarations of quarterly dividends and the establishment of future record and payment dates are subject to approval by our Board of Directors on a quarterly basis. The dividend activity for the periods presented is as follows:

Record Date	Payment Date	Per Share Amount	Dividend Payment (in thousands)
Fiscal Year 2013			
March 20, 2013	April 3, 2013	$ 0.030	$ 457
May 22, 2013	June 5, 2013	$ 0.030	$ 457
August 21, 2013	September 4, 2013	$ 0.030	$ 460
Fiscal Year 2012			
March 20, 2012	April 3, 2012	$ 0.025	$ 381
May 18, 2012	June 4, 2012	$ 0.025	$ 379
August 17, 2012	August 31, 2012	$ 0.025	$ 380
November 20, 2012	December 4, 2012	$ 0.025	$ 378

On October 23, 2013, our Board of Directors approved a quarterly cash dividend on our common stock of $0.03 per share payable on December 4, 2013 to stockholders of record at the close of business on November 20, 2013, which will total approximately $0.5 million.

Cash Flows

	Nine months ended September 30, (in thousands)		
	2013	2012	Net Change
Cash and cash equivalents	$13,626	$20,639	$ (7,013)
Cash flows provided by (used in):			
Operating activities	$ 4,032	$ 4,295	$ (263)
Investing activities	(5,870)	(667)	(5,203)
Financing activities	(1,009)	(3,096)	2,087

Net cash provided by operating activities. Net cash provided by operating activities was $4.0 million for the nine months ended September 30, 2013, and consisted of $2.5 million net income, adjusted for non-cash items of $3.4 million (including depreciation and amortization of $2.0 million, stock-based compensation of $1.0 million, and provision for inventory write-offs of $0.4 million) and was offset by changes in working capital of $1.9 million. The net cash used by changes in working capital was principally the result of an increase in inventory.

Net cash provided by operating activities was $4.3 million for the nine months ended September 30, 2012, and consisted of $1.9 million net income, adjusted for non-cash items of $3.9 million (including depreciation and amortization of $1.6 million, provision for inventory write-offs of $0.9 million, stock-based compensation of $0.9 million, and the effects of foreign currency translations of $0.3 million) and was offset by changes in working capital of $1.5 million. The net cash used by changes in working capital was principally the result of an increase in inventory of $3.1 million and in accounts payable and other liabilities of $1.6 million.

Net cash used in investing activities. Net cash used in investing activities was $5.9 million for the nine months ended September 30, 2013. This was primarily driven by acquisition related payments to InaVein and Clinical Instruments of $3.2 million and the purchase of property and equipment of $2.4 million of which $0.9 million related to facility build-out and manufacturing equipment associated with our biologic vascular patch.

Net cash used in investing activities was $0.7 million for the nine months ended September 30, 2012. This was primarily driven by the purchase of property and equipment and was partially offset by a $0.3 million collection of a note receivable related to our 2011 stent graft divestiture.

Net cash used in financing activities. Net cash used in financing activities was $1.0 million for the nine months ended September 30, 2013, driven primarily by payment of common stock dividends of $1.4 million and $0.3 million of treasury stock to cover minimum withholding taxes of restricted stock unit vestings which were partially offset by proceeds from stock option exercises of $0.7 million.

Net cash used in financing activities was $3.1 million for the nine months ended September 30, 2012, driven primarily by the purchase of $2.0 million of our shares of common stock under our stock repurchase plan and the payment of common stock dividends of $1.1 million.

Contractual obligations. Our principal contractual obligations consist of operating leases and inventory purchase commitments. The following table summarizes our commitments to settle contractual obligations as of September 30, 2013:

Contractual obligations	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
			(in thousands)		
Operating leases	$ 3,374	$ 1,093	$1,624	$657	$ —
Purchase commitments for inventory	3,597	3,121	476	—	—
Total contractual obligations	$6,971	$ 4,214	$ 2,100	$657	$ —

The commitments under our operating leases consist primarily of lease payments for our Burlington, Massachusetts, corporate headquarters and manufacturing facility, expiring in 2017; our Mississauga, Ontario, Canada office, expiring in 2018; our Sulzbach, Germany office, expiring in 2016; our Tokyo, Japan office, expiring in 2016; our Milan, Italy office, expiring in 2016; and our Madrid, Spain office, expiring in 2014. They also include automobile and equipment leases.

The purchase commitments for inventory are intended to be used in operations in the normal course of business and do not represent excess commitments or loss contracts.

Off-Balance Sheet Arrangements

We did not have any off-balance sheet arrangements as of September 30, 2013. We do not currently have, nor have we ever had, any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. In addition, we do not engage in trading activities involving non-exchange traded contracts. As a result, we are not materially exposed to any financing, liquidity, market, or credit risk that could arise if we had engaged in these relationships.

Critical Accounting Policies and Estimates

We have adopted various accounting policies to prepare our consolidated financial statements in accordance with U.S. generally accepted accounting principles, or U.S. GAAP. Our most significant accounting policies are described in note 1 to our consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2012. There has been no material changes in our critical accounting policies during the nine months ended September 30, 2013. The preparation of our consolidated financial statements in conformity with U.S. GAAP requires us to make estimates and assumptions that affect the amounts reported in our consolidated financial statements and accompanying notes. Our estimates and assumptions, including those related to bad debts, inventories, intangible assets, sales returns and discounts, share-based compensation, and income taxes are reviewed on an ongoing basis and updated as appropriate. Actual results may differ from those estimates.

Recent Accounting Pronouncements

In February 2013, the Financial Accounting Standards Board (FASB) issued new guidance which requires disclosure of changes in accumulated other comprehensive income balances by component and significant reclassification adjustments from accumulated other comprehensive income in a single note or on the face of the financial statements. This guidance became effective January 1, 2013. The adoption of this standard, which is related to disclosure only, did not have an impact on our results of operations or financial position.

Item 3.

Quantitative and Qualitative Disclosures About Market Risk

This item is not applicable to us as a smaller reporting company.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed by us in reports we file or submit under the Securities Exchange Act of 1934 is reported, processed, and summarized within the time periods specified in the SEC's rules and forms. As of September 30, 2013, or the Evaluation Date, our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities and Exchange Act of 1934). Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of the Evaluation Date, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control

There have been no changes in our internal control over financial reporting for the quarter ended September 30, 2013, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations of Internal Controls

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or our internal controls will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that

breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, a control may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Part II. Other Information

Item 1. Legal Proceedings.

In the ordinary course of business, we are from time to time involved in lawsuits, claims, investigations, proceedings, and threats of litigation relating to intellectual property, employment, product liability, commercial arrangements and other matters. While the outcome of these proceedings and claims cannot be predicted with certainty, there are no matters, as of November 7, 2013, that management believes would have a material adverse effect on our financial position, results of operations or cash flows.

Item 1A. Risk Factors

In addition to the information set forth in this report, you should consider the risks and uncertainties discussed in "Part I, Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2012, which could materially affect our business, financial condition, or future results. There have been no substantive changes from the risk factors previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2012, which was filed with the Securities and Exchange Commission on March 27, 2013.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Recent Sales of Unregistered Securities

None.

Issuer Purchases of Equity Securities

	Issuer Purchases of Equity Securities			
Period	Total Number of Shares (or Units) Purchased (1)	Average Price Paid Per Share (or Unit)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Program (2)	Maximum Number (or Approximate Dollar Value) of Shares (or Units) that may yet be Purchased under the Plans or Program
July 1, 2013 through July 31, 2013	21,734	$ 6.75	—	$ 3,482,619
August 1, 2013 through August 31, 2013	—	$ —	—	$ 3,482,619
September 1, 2013 through September 30, 2013	12,095	$ 6.94	—	$ 3,482,619
Total	33,829	$ 6.82	—	$ 3,482,619

(1) For the three months ended September 30, 2013, we repurchased 33,829 shares of our common stock to satisfy employees' obligations with respect to withholding taxes in connection with the vesting of restricted stock units.

(2) In July 2009, our Board of Directors authorized the repurchase of up to $1.0 million of shares of our common stock from time to time on the open market or in privately negotiated transactions. In October 2009, our Board of Directors increased this amount to $2.0 million, in July 2010, our Board of Directors further increased this amount to $5.0 million, and in November 2011, our Board of Directors further increased this amount to $10.0 million. The expiration date of this program is December 31, 2013.

Item 6. Exhibits

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Date	Number	
2.1	Asset Purchase Agreement dated August 28, 2013 between LeMaitre Vascular, Inc. and InaVein, LLC				X
31.1	Certification of Chief Executive Officer, as required by Rule 13a-14(a) or Rule 15d-14(a).				X
31.2	Certification of Chief Financial Officer, as required by Rule 13a-14(a) or Rule 15d-14(a).				X
32.1	Certification by the Chief Executive Officer, as required by Rule 13a-14(b) or Rule 15d-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350).*				X
32.2	Certification by the Chief Financial Officer, as required by Rule 13a-14(b) or Rule 15d-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350).*				X
101.INS	XBRL Instance Document.				X
101.SCH	XBRL Taxonomy Extension Schema Document.				X
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.				X
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document				X
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.				X
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.				X

The certifications attached as Exhibit 32.1 and Exhibit 32.2 that accompany this Quarterly Report on Form 10-Q, are not deemed filed with the SEC and are not to be incorporated by reference into any filing of LeMaitre Vascular, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Quarterly Report on Form 10-Q, irrespective of any general incorporation language contained in such filing.

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, thereunto duly authorized on November 7, 2013.

LEMAITRE VASCULAR, INC

/s/ George W. LeMaitre

George W. LeMaitre
Chairman and Chief Executive Officer

/s/ Joseph P. Pellegrino, Jr.

Joseph P. Pellegrino, Jr.
Chief Financial Officer

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Exhibit 2.1

ASSET PURCHASE AGREEMENT

ASSET PURCHASE AGREEMENT (this "Agreement"), dated August 28, 2013, by and among LeMaitre Vascular, Inc., a Delaware corporation with an address at 63 Second Ave., Burlington, Massachusetts 01803 (the "Purchaser") and InaVein, LLC, a Delaware limited liability company, with an address at 420 Bedford Street, Suite 130, Lexington, MA 02420 (the "Seller").

W I T N E S S E T H:

WHEREAS, the Seller develops, manufactures, markets and sells devices relating to varicose vein removal, including the TRIVEX system, components and disposables for varicose vein removal ("TRIVEX") and the TCI tumescent catheter inversion system ("TCI") for the removal of the saphenous vein (collectively, the "Products") and provides warranty and other services to repair the Products; and

WHEREAS, the Seller desires to convey, sell, transfer and assign to the Purchaser, and the Purchaser desires to purchase from the Seller, substantially all of the assets of the Seller on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the covenants, promises and representations set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE I
Purchase and Sale of Assets.

Section 1.1. Sale of Assets. Subject to the terms and conditions of this Agreement, the Seller does hereby sell, transfer, convey, assign and set over ("Transfer") to the Purchaser, and the Purchaser does hereby purchase and acquire from the Seller, all of the Seller's right, title and interest in and to any and all of its properties, rights, claims, contracts and assets, tangible or intangible, choate or inchoate, and wherever located (collectively, the " Assets"), excluding, however, the Excluded Assets (as defined below), and subject, in the case of Purchased Commitments (as defined below), to the terms thereof.

Section 1.2. Assets; Excluded Assets.

A. Assets. The term "Assets" shall include, without limitation, the Seller's right, title and interest in and to any and all of the following:

1. Tangible Assets. All machinery, equipment, business machines, tooling, plant equipment, computers, trade show booth property, and other tangible assets or personal property (collectively, the "Tangible Assets") of the Seller, wherever located, including without limitation those Tangible Assets of the Seller that are listed on Schedule 4.1(F).

2. Inventory. All inventories, including, without limitation, raw materials, components, work in process, finished goods, demonstration models, medical product inventories, including, without limitation, any inventory in the possession of third parties, including Seller's Affiliates, and any consigned inventory, and administrative or other supplies (the "Inventory"), including, without limitation the inventory set forth on Schedule 1.2(A)(2).

3. Purchased Commitments. Those agreements, orders and other rights of a contractual nature (" Commitments") in effect on the Closing Date specifically set forth on Schedule 4.1(E)(1) (the "Purchased Commitments") or otherwise constituting Purchased Commitments pursuant to Section 4.1(E)(1). For the avoidance of doubt, Purchased Commitments shall not include any Commitments that have expired or have been terminated prior to the Closing Date.

4. Prepaid and Other Items. Any and all prepaid and deferred items and advanced payments (including trade show deposits), and unbilled charges and deposits, but excluding any deposit held by the landlord for the Premises (as defined below).

5. Intellectual Property. All licenses, patents, copyrights, designs and drawings, engineering and manufacturing documents, technical manuals, patterns, processes, formulae, know-how, trade secrets, trademarks, service marks, trade names, domain names, inventions and discoveries (whether patentable or not), computer software, source code, and other similar rights and agreements, including without limitation, any license or usage rights with respect to any of the foregoing and those items set forth on Schedule 4.1(H), and all applications therefor and registrations thereof, including without limitation all Proprietary Information (as hereinafter defined) of the Seller (collectively, " Intellectual Property"), including without limitation the names of the products of the Seller and all trademark and service mark rights relating to such names, if any, along with the rights (common law or otherwise), registrations and logos relating thereto, if any, and to the design elements and any variations or combinations thereof, and any and all rights to sue for past, present and future infringement or other violations of the same, and all goodwill associated with any of the foregoing.

6. Permits and Approvals. All permits, licenses, approvals, consents, registrations and authorizations (collectively, " Approvals"), including without limitation all of the Approvals listed on Schedule 4.1(E)(3), together with all documents and records related thereto, including without limitation all design history files, device master records, device history records, clinical data, technical documentation, testing documentation and results, complaint files, records of adverse events, reports of adverse events, corrections or recalls, quality management documents and the like; provided, however, that "Approvals" shall not include corporate qualifications to do business.

7. Customer Lists and Other Records. The list of all customers, including those customers listed on Schedule 4.1(P), and the books, records, files and papers, whether in hard copy or electronic format used or held by the Seller, including, without limitation, engineering information, operating instructions, sales and promotional literature, manuals and data, sales and purchase and other customer correspondence, and all sales or marketing materials related to the Products or the Business, including photos and art-work, drawings, prints and other like materials.

8. Accounts Receivable. All receivables arising out of the sale of goods by the Seller prior to the Closing, as set forth on Schedule 4.1(S).

9. In-Process Research and Development. All in-process research and development of Seller existing on the Closing Date

10. Other Assets. The assets described on Schedule 1.2(A)(10) (the "Other Business Assets").

Notwithstanding the foregoing, the Purchaser may, within 45 days of the Closing Date, designate any Asset as an Excluded Asset and return any such item to the Seller, in which case such item shall be deemed not to have been transferred by the Seller to the Purchaser hereunder.

B. Excluded Assets. Notwithstanding anything contained in this Agreement to the contrary, the following assets of the Seller (the " Excluded Assets") are not included in the Assets:

1. Cash; Checking Account(s) and any other banking account(s) . All cash, cash equivalents and other investments of the Seller (including bank account deposits made prior to the Closing but not yet cleared) and the checking account of Seller.

2. TES System. All assets exclusively related to the Tumescent Enhanced Sclerotherapy (" TES") system, including any intellectual property related exclusively thereto.

3. Tax Refunds. All income taxes refundable and all refundable sales taxes, excise taxes, municipal taxes and like taxes and interest thereon refundable to the Seller on account of the Assets in respect of any period ending prior to the Closing Date.

4. Insurance. Any policies of insurance of the Seller, whether or not relating to the Business or the Assets.

5. Corporate Records. All books and records relating to the Excluded Assets and the corporate charter, taxpayer and other identification numbers, seals, minute books, unit transfer records and other documents related to the organization, maintenance and existence of the Seller as a legal entity.

6. Investor Documents. All agreements to which Seller and any of the members (or other equity holders) of Seller are a party pertaining to their making any investment in, loans to or holding securities of Seller.

7. Rights under Transaction Documents. All of Seller's rights under this Agreement and each agreement, instrument or other document executed by the Seller and the Purchaser in connection with this Agreement.

8. Financials. All financial statements, tax returns and other tax records and related information of Seller (although the Purchaser shall be entitled to a true and complete copy of such materials).

9. Attorney-Client Privilege. All attorney-client privileges with past or present legal counsel for Seller.

10. Claims. All claims of Seller against third parties related to the Excluded Assets, whether choate or inchoate, known or unknown, contingent or non-contingent.

11. Excluded Commitments. All Commitments other than the Purchased Commitments (the " Excluded Commitments"), including, without limitation, the Excluded Commitments listed on Schedule 4.1(E)(1).

12. Deposits. All deposits held by the landlord of the Premises.

13. Other Excluded Assets. The assets listed on Schedule 1.2(B)(13).

ARTICLE II
Closing and Purchase Price.

Section 2.1. Closing. The closing of the transactions contemplated hereby (the "Closing") will take place simultaneously with the execution and delivery of this Agreement in Burlington, Massachusetts, on August 28, 2013 (the "Closing Date"), and shall be effective as of 9:00am eastern time on the Closing Date.

Section 2.2. Payment at Closing. In consideration of the Transfer to the Purchaser of the Assets and of the other representations, warranties and covenants herein, the Purchaser shall pay to or for the account of the Seller the total amount of $3,900,000, (the " Purchase Price"), of which:

a. $2,125,000 is being paid at the Closing to the Seller by wire transfer of immediately available funds (such payment being hereby acknowledged by the Seller);

b. $375,000 (the "Holdback Amount") shall be paid by the Purchaser to the Seller not later than 15 days following the expiration of the twelve (12) month period following the Closing Date by wire transfer of immediately available funds;

c. 0.7x times the amount by which Net Sales (as defined below) of the Products in the 12-month period following the Closing Date exceed $2,500,000 (the "First Earn-Out"); provided, however that the First Earn-Out shall not exceed $500,000;

d. 0.7x times the amount by which Net Sales of the Products in the second 12-month period following the Closing Date exceed the greater of (i) $2,700,000 or (ii) the actual Net Sales in first 12-month period (the " Second Earn-Out"); provided, however that the Second Earn-Out shall not exceed $500,000; and

e. $400,000 if all of the Products that are or have been registered in China (other than TCI) are re-registered in China with the CFDA (as defined in Section 5.13) by August 31, 2014 (the "China Earn-Out").

"Net Sales" as used in this Section 2.2 means the gross amount received by the Purchaser or its Affiliates from the sale of the Products and from service contracts or rental agreements entered into or renewed after the Closing Date, less the following reductions: (i) customary trade, quantity, quality, distribution level and payment discounts and rebates; (ii) amounts repaid or credited by reason of rejection or return; (iii) shipping costs (provided that the margin on such costs is not materially greater than the average margin on shipping for the Purchaser's other products) and handling costs (provided that the handling costs are consistent with the Purchaser's past practice with respect to handling); (iv) any taxes (including, but not limited to, the medical device tax) or other governmental charges levied on the production, sale, transportation, delivery, or use of a Product or services provided and that is paid by the Purchaser or its Affiliates (but in all events will exclude any taxes levied on income); and (v) allowances and credits on account of retroactive price reduction. Transfer of Product between the Purchaser and its Affiliates, or between its Affiliates, shall not be a "sale" under Net Sales. Currency conversions made in calculating Net Sales shall be calculated based on the ordinary course of business of the Purchaser and in accordance with GAAP. For avoidance of doubt, if a Product is sold for a price of $5,000 and Purchaser incurs $500 in taxes then Net Sales will be $4,500 unless Purchaser charges its client such for such taxes as an additional line item in which case Net Sales will be $5,000. Purchaser shall at all times act in good faith with respect to revenue and charges subject to inclusion in either the First Earn-Out or the Second Earn-Out and will not directly or indirectly attempt to artificially reduce the gross revenue resulting from the sale of Products or increase any charges that would be deducted from such revenues.

No later than 30 days after the end of each calendar quarter during the two years following the Closing Date, the Purchaser shall provide the Seller with a report

containing (i) the dollar amount of sales and any returns or credits for such calendar quarter for the following Product categories (broken out by major geographic regions): Capital Equipment, Disposables, Rentals, TCI and Other (includes repairs) and (ii) a one-page (or more, at the Purchaser's discretion) status report on the CFDA re-registration process and progress against the project schedule referred to below (each a " Quarterly Report"). If the Purchaser fails to provide a Quarterly Report to Seller within 30 days of the end of a calendar quarter, the Purchaser shall have a 15 day period following notice from the Seller of such failure in order to provide the Quarterly Report to the Seller before such failure constitutes a breach hereunder. Within 30 days of the Closing Date, the Purchaser shall provide to the Seller a project schedule setting forth the expected major steps and finish dates for the re-registration of Products (other than TCI) with the CFDA. If at any time the Purchaser reasonably believes that a finish date on the project schedule will be delayed by two or more weeks or after August 31, 2014, the Purchaser shall promptly inform the Seller of such belief.

Seller shall have the right to have a certified public accountant (a " Reviewing CPA") of its selection audit the books and records of Purchaser and its Affiliates relevant to the calculation of Net Sales within 30 days following the Determination Date (as defined below) for the First Earn-Out and the Second Earn-Out. Purchaser covenants to give the Reviewing CPA access to the books, records and work papers of Purchaser and its Affiliates relevant to the calculation of Net Sales, subject to reasonable advance notice and during normal business hours. If the Reviewing CPA determines that Purchaser has not paid Seller the full amount due to it for either the First Earn-Out or the Second Earn-Out and provides the Seller and the Purchaser a report setting forth its determination (the "CPA Report") and the Purchaser does not dispute the Reviewing CPA's determination pursuant to the procedure set forth in the paragraph below, then Purchaser shall within twelve (12) Business Days of its receipt of the CPA Report pay Seller in full for such short-fall or the undisputed portion thereof. If the Reviewing CPA determines that Purchaser has overpaid Seller for either the First Earn-Out or the Second Earn-Out, then Seller shall within twelve (12) Business Days of its receipt of the CPA Report pay to the Purchaser the amount of the overpayment that is not then subject to a Dispute Notice. The Seller shall pay the fees and expenses of the Reviewing CPA unless the short-fall, if any, for the relevant period exceeds $10,000, in which case, the Purchaser shall pay the fees and expenses of the Reviewing CPA.

If the Purchaser delivers written notice (the " Dispute Notice") to Seller within ten (10) Business Days of its receipt of the CPA Report, stating that the Purchaser objects to the Reviewing CPA's determination, and specifying the basis for such objection in reasonable detail, the Seller and Purchaser will attempt to resolve the dispute as promptly as practicable. If the Seller and Purchaser are unable to reach agreement within 30 days after delivery of the Dispute Notice, the Seller and Purchaser agree that Alexander, Aronson, Finning and Co., P.C. (the "Expert") shall resolve the disputed items specified in the Dispute Notice. The Seller and Purchaser agree that if Alexander, Aronson, Finning and Co., P.C. shall not be available to serve as the Expert for any reason, then the Seller and Purchaser shall designate Wolf & Company, P.C. as the Expert to resolve the disputed items specified in the Dispute Notice. The Expert will (i) resolve the disputed

items specified in the Dispute Notice and (ii) calculate the Net Sales for the First-Earn-Out or the Second Earn-Out, as applicable, as modified only by the resolution of such items, and in each case in accordance with the methodology for the calculation of "Net Sales" as provided in this Agreement. The determination of the Expert will be made within 30 days after being selected and will be final and binding upon the parties. If the Expert determines that Seller has been underpaid for either the First Earn-Out or the Second Earn-Out, then Purchaser shall within twelve (12) Business Days of its receipt of the determination of the Expert pay to the Seller the amount of the underpayment. If the Expert determines that Purchaser has overpaid Seller for either the First Earn-Out or the Second Earn-Out, then Seller shall within twelve (12) Business Days of its receipt of the determination of the Expert pay to the Purchaser the amount of the overpayment. The fees and expenses of the Expert will be borne by the party whose position did not prevail in such determination, or if the Expert determines that neither party could be fairly found to be the prevailing party, then such fees, costs and expenses will be borne 50% by the Seller, on the one hand, and 50% by Purchaser, on the other.

The First Earn-Out and the Second Earn-Out shall be paid by wire transfer of immediately available funds within 15 days of the date that Net Sales for the relevant twelve month period have been finally determined by the Purchaser's finance department (each a " Determination Date"), which shall be no later than 45 days after the first anniversary of the Closing Date, in the case of the First Earn-Out and shall be no later than 45 days after the second anniversary of the Closing Date in the case of the Second Earn-Out, and such Net Sales have been determined to have exceeded the applicable Net Sales levels set forth above. The China Earn-Out shall be paid by wire transfer of immediately available funds within 15 days of the Purchaser's receipt of the last Product approval from the CFDA provided that all of such approvals (other than with respect to TCI) have been received by August 31, 2014.

Purchaser covenants to use commercially reasonable efforts to re-register all Products in China that are currently registered with the CFDA (other than TCI) and shall use good faith efforts to make all necessary filings and pay all fees necessary to complete the re-registration of such Products prior to August 31, 2014. In addition, Purchaser shall use good faith efforts to promptly respond to all information and other requests made by or on behalf of the CFDA. Seller shall promptly and reasonably cooperate with Purchaser in connection with the re-registration or registration of any Product with the CFDA and Seller shall take no action that it intends to, or has knowledge that such action would likely result in a, delay of, or compromise to, the re-registration or registration of any Product with the CFDA in any respect.

Section 2.3. Closing Documents. The Seller and the Purchaser shall deliver to each other, at the Closing, the certificates, consents, approvals, agreements, and documents relating to the transactions contemplated by this Agreement that are set forth on Schedule 2.3 hereto (collectively with this Agreement, the "Closing Documents").

ARTICLE III
Liabilities.

Section 3.1. Assumed Liabilities. As consideration for the purchase of the Assets pursuant to this Agreement, the Purchaser does hereby assume, and does hereby agree to pay, satisfy, discharge and perform, in accordance with their respective terms, the following: (i) those specific liabilities and obligations of the Seller arising under the Purchased Commitments, provided however, the Purchaser shall not so assume any such obligations or liabilities under any Purchased Commitment to the extent that (a) such obligations or liabilities arise out of a breach by the Seller or its affiliates or predecessors of any such Purchased Commitment; (b) such obligations or liabilities arise out of facts or circumstances which constitute a breach of the Seller's representations and warranties to the Purchaser hereunder; (c) such obligations or liabilities relate to periods prior to the date of assumption at the Closing; or (d) a true and complete copy of such Purchased Commitment was not provided to the Purchaser (assuming such Purchased Commitment was in the form of a document); (ii) all obligations under service contracts set forth on Schedule 3.1; (iii) warranty obligations with respect to Products manufactured, distributed or sold prior to the Closing but only to the extent that Bridgemedica, LLC or another supplier of the Products directly pays for or bears the costs associated with the fulfillment of such warranty obligations or reimburses the Purchaser in full for such costs within 60 days of Purchaser's request for payment; and (iv) the Payables (as defined in Section 4.1(S)) (collectively, such obligations and liabilities assumed as aforesaid, the " Assumed Liabilities").

Section 3.2. Excluded Liabilities. Notwithstanding anything to the contrary contained in this Agreement, the Schedules hereto or any other Closing Document, the Purchaser does not and will not assume or agree to pay, satisfy, discharge or perform, and shall not be deemed by virtue of the execution and delivery of this Agreement or any other Closing Document, or as a result of the consummation of the transactions contemplated by this Agreement, the Closing or otherwise to have assumed, or to have agreed to pay, satisfy, discharge or perform any of the Excluded Liabilities. The term " Excluded Liabilities," as used herein, shall mean any and all liabilities, debts, claims, obligations, taxes, expenses or damages, whether known or unknown, contingent or absolute, named or unnamed, disputed or undisputed, legal or equitable, determined or indeterminable, or liquidated or unliquidated (any and all of the foregoing, " Liabilities") that are not specifically Assumed Liabilities, including without limitation (i) any and all Liabilities relating to employee benefits or compensation arrangements existing as of the end of the day on the Closing, including, without limitation, any Liabilities under the Seller's employee benefit agreements, plans or other arrangements or any payroll, bonus, severance or wages owed; (ii) any and all Liabilities of the Seller for Taxes; (iii) other than the Payables and warranty obligations or obligations under service contracts, in each case to the extent and only to the extent specifically assumed by the Purchaser under Section 3.1, any and all Liabilities that are associated with or may arise or have arisen in connection with Products manufactured, distributed or sold by the Seller prior to the Closing; (iv) warranty obligations with respect to Products manufactured, distributed or sold prior to the Closing but only to the extent that Bridgemedica, LLC or another

supplier of the Products does not directly pay for or bear the costs associated with the fulfillment of such warranty obligations or does not reimburse the Purchaser in full for such costs within 60 days of Purchaser's request for payment (provided that if Purchaser subsequently is compensated by Bridgemedica for such warranty obligations it shall promptly reimburse Seller to the extent thereof); (v) any and all Liabilities arising between the Seller and any distributors of any of the Products; (vi) the lease (the "Lease") of the premises at 420 Bedford Street, Suite 130, Lexington, MA 02420 (the " Premises"); (vii) any and all brokers fees, commissions or bonuses payable to any third party in connection with the entry into this Agreement or the consummation of the transactions contemplated hereby; and (viii) any and all Liabilities owing to any current or former employee(s) of the Seller or any current or former member(s) or manager(s) of the Seller.

ARTICLE IV
Representations and Warranties.

Section 4.1. Representations and Warranties by the Seller. The Seller hereby represents and warrants to the Purchaser that:

A. Corporate Existence and Qualification of the Seller; Due Execution; Etc . The Seller is a limited liability company duly organized, validly existing and subsisting under the Laws of the State of Delaware and has the requisite corporate power and authority to own, lease or otherwise hold the Assets and to carry on the Business as conducted through the Closing Date. The Seller has all requisite corporate power and authority to execute, deliver and perform this Agreement and the Closing Documents to which it is a party and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and the Closing Documents to be executed by the Seller and the consummation by the Seller of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate action, including the authorization and approval of the board of managers and the members of the Seller. Assuming the due execution of this Agreement and the Closing Documents by the Purchaser, this Agreement and the Closing Documents to which the Seller or any of its Affiliates is a party constitute valid and binding obligations of the Seller and each such Affiliate, enforceable in accordance with their respective terms, subject only to applicable bankruptcy, insolvency, reorganization, moratorium or other similar Laws relating to creditors' rights generally and to general principles of equity (regardless of whether such enforcement is considered in a proceeding at law or in equity).

B. No Violation. Neither the execution and delivery by the Seller of this Agreement or the Closing Documents to be executed by the Seller or its Affiliates, nor the consummation by the Seller or any such Affiliate of the transactions contemplated hereby or thereby: (i) violates or will violate any Law applicable to the Seller or such Affiliate; (ii) violates or will violate any order, ruling, writ, judgment, injunction or decree of any Governmental Entity (an " Order") applicable to the Seller or such Affiliate; (iii) conflicts or will conflict with, or results or will result in a breach of or default under the certificate of formation, operating agreement or other organizational document of the Seller, or results or will result in any breach of any Commitment applicable to the Seller

or such Affiliate; (iv) results or will result in the imposition of any Lien (as defined below) on any of the Assets; (v) conflicts with any Purchased Commitment; or (vi) conflicts with any other Commitment in any way that could have a Material Adverse Effect or delay or prevent the consummation of the transactions contemplated hereby. As used herein, the term "Lien" means any lien, mortgage, security interest, charge, pledge or encumbrance of any kind. Except as set forth on Schedule 4.1(B), no consent, authorization, or approval from, or registration or filing with, any Governmental Entity or any other third party is required to be obtained or made by or with respect to the Seller in order to perform its obligations under this Agreement or in connection with the consummation of the transactions hereunder.

C. Financial Information. Attached hereto as Schedule 4.1(C) are true and complete financial statements and other financial information of Seller's Business for the last three fiscal years and the six months ended June 30, 2013. All information provided on Schedule 4.1(C) accurately reflects the financial position of the Business at the dates indicated in such financial statements or information and the results of the Business' operations for the periods stated therein and has been prepared in accordance with GAAP, consistently applied throughout such periods; provided that with respect to any interim financials such financial statements may not include footnotes and year-end adjustments.

D. Absence of Certain Transactions. Since August 31, 2012, (i) the Seller has caused its Business to be operated only in the ordinary course, consistent with past historical practice over the preceding twelve months (" Ordinary Course of Business"), and (ii) there has been no Material Adverse Effect. Without limiting the generality of the foregoing, since such date, with respect to the Business, the Seller has not: (1) disposed of any assets, incurred any accounts payable or receivable, or acquired any material assets, except in the Ordinary Course of Business; (2) entered into or amended or terminated any agreements or arrangements with customers or suppliers other than in the Ordinary Course of Business; (3) entered into or renewed any distribution agreements; (4) granted or entered into any mortgage, security, charge, surety or guarantee (save for Liens arising in the Ordinary Course of Business and which have been discharged prior to Closing); (5) assumed any Liability or obligation, or given any commitment outside the Ordinary Course of Business; (6) permitted any insurances to lapse or done or omitted to do anything which could make any insurance policy void or voidable; (7) altered from its standard collection practices with respect to any accounts receivable; (8) entered into any transaction with any Affiliate with respect to its Business that could have a Material Adverse Effect or delay or prevent the consummation of the transactions contemplated hereby; (9) granted any salary or wage increases, or changed or amended any Employee Plan except in the Ordinary Course of Business; (10) agreed to indemnify, or indemnified, any party to any Purchased Commitment; (11) taken any action, or otherwise omitted to take any action, which, if this Agreement had been in effect at such time, would have reasonably been expected to cause a breach of the Seller's representations, warranties, covenants and agreements herein; or (12) agreed or committed to do any of the foregoing.

E. Material Contracts and Obligations; Approvals .

1. Purchased Commitments . The Seller has delivered to the Purchaser true and complete copies of all Purchased Commitments that are in written form and any amendments thereto. Each such Purchased Commitment is in full force and effect immediately following the Transfer of the Assets at the applicable Closing and represents the valid and binding obligation of the Seller. All Purchased Commitments are listed under the sub-heading "Purchased Commitments" on Schedule 4.1(E)(1) and all Excluded Commitments are listed under the sub-heading "Excluded Commitments" on Schedule 4.1(E)(1). The foregoing notwithstanding, all "off the shelf" software licenses will be deemed included as "Purchased Commitments" even if not listed in Schedule 4.1(E)(1) under "Purchased Commitments". Except as contemplated by the preceding sentence, the Seller has no contracts or Commitments other than those represented by the Purchased Commitments and the Excluded Commitments. There are no oral contracts, agreements or arrangements that, individually or in the aggregate, are material to the Business.

2. Defaults. With respect to each Purchased Commitment to which the Seller is a party (including as an assignee), such Purchased Commitment is legal, valid, binding, enforceable, and in full force and effect; each of the Seller and, to the knowledge of the Seller, the other party or parties thereto, has performed in all material respects all obligations required to be performed by it thereunder through the Closing Date; the Seller and, to the knowledge of the Seller, the other party or parties thereto, is not (with or without the lapse of time or the giving of notice, or both) in default under any such Purchased Commitment; and the Seller has not received any notice of any default (whether monetary or non-monetary) or termination of any such Purchased Commitment from any other party thereto.

3. Approvals. Schedule 4.1(E)(3) sets forth a true and complete list of all Approvals currently held by the Seller, by Product and territory. The Approvals constitute all of the permits, licenses, approvals, registrations, consents and authorizations required for the conduct of the Seller's Business as conducted prior to the Closing Date. All Approvals are valid and subsisting and in good standing and there is no default thereunder. The Seller has not received notice of any claim, action, suit, proceeding or investigation pertaining to its Business in or before any Governmental Entity, whether brought, initiated, asserted or maintained by a Governmental Entity or any other person or entity nor, to the knowledge of the Seller, has any such claim, action, suit, proceeding or investigation been threatened, to revoke, suspend or limit the rights of the Seller under any of the Approvals, and the Seller is in compliance in all material respects with each of the Approvals. Seller owns all such Approvals included in the Assets and has not previously transferred any Approval to a third party.

4. Absence of Certain Business Commitments . Except as set forth on Schedule 4.1(E)(4), the Seller has no Commitments of the following types: (1) any Commitment granting to any person a first-refusal, first-offer or other right to purchase or acquire any Assets; (2) any Commitment under which the Seller is or has agreed to

become a joint venture or partner; (3) any Commitment granting a power of attorney that could be binding upon the Purchaser; (4) any Commitment with respect to letters of credit, surety or other bonds, or pursuant to which any assets or properties of the Seller are, or are to be, subjected to a Lien; or (5) any Commitment to indemnify any third party.

F. Assets. Schedule 4.1(F) sets forth a true and complete list of all of the Assets as of the Closing Date, giving location and any identifying number reasonably necessary for the identification of such Asset. All material Tangible Assets included in the Assets are in good operating condition, normal wear and tear excepted, and are generally adequate for the uses to which they are being put. There are no facts or conditions affecting the Assets that could, individually or in the aggregate, interfere in any material respect with the use or operation thereof as currently used or operated or their adequacy for such use or operation. The books and records included in the Assets, all of which have been made available to the Purchaser, are true and complete in all material respects.

G. Title to Assets. Immediately prior to Closing, the Seller is the true and lawful owner of, and has good and marketable title in and to, or in the case of leased personal property has valid leasehold interests in, all of the Assets, free and clear of all Liens. Upon consummation of the transactions contemplated hereby, Buyer will be the true and lawful owner of, and have acquired good and marketable title in and to, or a valid leasehold interest in, all of the Assets, free and clear of all Liens.

H. Intellectual Property.

1. Schedule 4.1(H)(a) sets forth a true and complete list of all Intellectual Property owned or used by Seller, and in the case of registered Intellectual Property, includes the jurisdiction in which such item of Intellectual Property has been registered or filed, the applicable application and registration or serial number, the expiration date, the maintenance payment status, and if applicable, any co-owners thereof. Seller owns or has the continuing valid and legal right to use, pursuant to license, sublicense, agreement, or permission, all Intellectual Property. The Intellectual Property includes all of the Intellectual Property necessary for the conduct and operation of the Business. With respect to the Intellectual Property: (i) Seller possesses all right, title and interest in and to such Intellectual Property, free and clear of any encumbrance, license or other restriction, or otherwise has sufficient rights to use such Intellectual Property pursuant to a license or permission as may be necessary in connection with the operation of Seller's Business; (ii) such Intellectual Property is not subject to any outstanding injunction, judgment, order, decree, ruling or charge; (iii) no action, suit, proceeding, hearing, investigation, charge, complaint, claim or demand is pending or, to the knowledge of Seller, threatened which challenges the legality, validity, enforceability, use or ownership of such Intellectual Property; (iv) Seller has not agreed to indemnify any person for or against any interference, infringement, misappropriation or other conflict with respect to such Intellectual Property; and (v) Seller has not granted any license of any kind in and to such Intellectual Property to any third party, other than the

grant to Seller's customers of an implied license to use the Intellectual Property as part of such customers' purchase and use of the Products and Seller's manufacturers exclusively to manufacture Products on behalf of the Seller. Schedule 4.1(H)(b) accurately sets forth a list of any past, present and future royalties, fees or other liabilities to any owner or licensee of, or any other claimant to, any Intellectual Property. There is no agreement with any third party regarding the maintenance of, or payment of any fees with respect to, any of the patents or trademarks set forth on Schedule 4.1(H)(a), other than that certain Agreement dated March 18, 1998 between Smith & Nephew, Inc. and Gregory Spitz, as amended, and that certain Agreement dated February 1, 2002 between Smith & Nephew, Inc. and Gregory Spitz.

2. Seller has not, in the conduct of its Business or its use of the Intellectual Property, interfered with, knowingly infringed upon or misappropriated any patent, copyright, trade secret or other intellectual property rights of third persons, and Seller has never received any claim, demand or notice alleging any such interference, infringement, misappropriation or violation (including any claim that it must license or refrain from using any such rights of any third party) relating to its Business. To the knowledge of Seller, no third party is currently or has interfered with, infringed upon, misappropriated or otherwise come into conflict with any of the Intellectual Property, or license or distribution rights of Seller with respect to or in connection with the Seller's Business as currently or previously conducted.

3. With respect to any of the Intellectual Property that is the subject of any royalty, license, sublicense, agreement or permission (in each case, an "IP Agreement"): (i) each such IP Agreement is legal, valid, binding, enforceable and in full force and effect; (ii) neither Seller nor, to Seller's knowledge, any other party to the applicable IP Agreement is, in any material respect, in breach or default and no event has occurred which with notice or lapse of time would constitute a breach or default or permit termination, modification or acceleration thereunder; (iii) Seller has not received any notice that a party to any IP Agreement has repudiated any provision thereof; (iv) with respect to each sublicense, the representations and warranties set forth in clauses (i) through (iii) above are true and correct with respect to the underlying license; (v) Seller has not received any notice that the underlying Intellectual Property is subject to any outstanding injunction, judgment, order, decree, ruling or charge (other than routine maintenance fees); (vi) Seller has not received any notice that any action, suit, proceeding, hearing, investigation, charge (other than routine maintenance fees), complaint, claim or demand is pending or is threatened which challenges the legality, validity or enforceability of the underlying Intellectual Property; and (vii) Seller has not granted any sublicense or similar right with respect to any IP Agreement.

4. None of the processes, methodologies, trade secrets, research and development results, and other know-how included in the Intellectual Property, the value of which is contingent upon maintenance of the confidentiality thereof, or any specifications, manufacturing instructions, design documents or dossiers, or blueprints for any of the Products has been disclosed by the Seller to any person, other than the parties listed on Schedule 4.1(H)(4). Each party listed on Schedule 4.1(H)(4) is bound by customary confidentiality and non-disclosure agreements with the Seller.

5. Except for a grant of a security interest in the Intellectual Property to the holders of notes of the Seller, which security interest will be released at the Closing, the Seller has not conveyed, licensed, transferred, given any security interest in, or otherwise transferred or encumbered any of the Intellectual Property to any party other than to the Purchaser pursuant to the Transfer. By means of the Transfer, Seller is conveying all of its rights and interest in and title to the Intellectual Property, subject to compliance with the assignability provisions of the IP Agreements.

6. In the Seller's reasonable judgment, all necessary registration, maintenance and renewal fees in connection with the Intellectual Property have been paid, and all necessary documents, recordations and certificates in connection with the Intellectual Property have been timely filed with the relevant patent, copyright, trademark or other authorities in the United States or foreign jurisdictions, as the case may be, for the purposes of prosecuting or maintaining the Intellectual Property. No interference, opposition, reissue, reexamination or other similar proceeding is pending in which any Intellectual Property is being contested or challenged.

7. By no later than September 6, 2013, Seller shall deliver to Purchaser as Schedule 4.1(H)(7) a true and complete list of all actions that must be taken within six months of the Closing Date, including the payment (and dollar amount) of any registration, maintenance or renewal fees or the filing of any documents, applications or certificates, for the purposes of maintaining, perfecting, preserving or renewing any item of Intellectual Property.

8. Seller represents and warrants that Seller owns and holds title, free and clear of all encumbrances, to the software object code incorporated in or shipped with the Products, and the source code and the copyrights therefor, whether or not copyright registrations have been filed, and notwithstanding that such software object code or source code may not be specifically scheduled as an Asset. For the avoidance of doubt, the foregoing shall constitute Intellectual Property included as an Asset hereunder.

I. Litigation. There are no Legal Proceedings pending or, to the knowledge of the Seller, threatened against the Seller or any of their Affiliates and pertaining to the Business, including without limitation any legal proceeding that seeks to enjoin or obtain damages in respect of the consummation of the transactions contemplated by this Agreement or any other Closing Document. There is no Legal Proceeding pertaining to the Seller's Business (including employees) that the Seller, or any Affiliate of the Seller, has initiated or intends to initiate. There are no claims received by Seller, or any Affiliate of the Seller, pending, or to the knowledge of the Seller, threatened alleging that any Products sold are defective or fail to meet any warranties. Neither the Seller, nor any affiliate of the Seller, have incurred any costs or been subject to any claim or Legal Proceeding arising out of any injury to individuals as a result of the marketing, distribution or sale of any Product. The Seller has not been notified of any inquiry or investigation made in respect thereof by any Governmental Authority.

J. Compliance With Laws.

1. General. The Seller is not in default with respect to any Order pertaining to the Business. The Business is and at all times has been operated in material compliance with all applicable Laws.

2. Domestic and Foreign Regulatory Compliance. A true and complete list of all territories and countries where each Product is approved, cleared or registered for sale is attached hereto as Schedule 4.1(J)(a). Except as is set forth in Schedule 4.1(J)(b), Seller represents that it has complied in all material respects with all applicable requirements pertaining to the Seller of: (1) the United States Food and Drug Administration (" FDA"); (2) each of the applicable regulatory bodies in those member states of the European Union in which the Seller has sold or distributed its products, directly or indirectly; and (3) each of the applicable regulatory bodies of any territory of country listed on Schedule 4.1(J)(c) (each, a "Third Country"), including without limitation in each case:

(i) all applicable FDA pre-market clearance (" 510(k)") or pre-market approval ("PMA") requirements set forth in 21 C.F.R. §§ 807, 814; all applicable CE-MDD marking requirements set forth in 93/42/EEC; the Medical Device Directive, as implemented in each member country (the "MDD"), and any similar requirement set forth in the laws or regulations of any Third Country; including, in each case, the requirement to obtain a new clearance or approval for modifications to existing Products;

(ii) all applicable FDA export requirements of the Federal Food, Drug and Cosmetic Act, as amended (the " FDC Act"), codified at 21 U.S.C. §§ 381, 382.

(iii) all applicable establishment registration and device listing requirements set forth in 21 C.F.R. § 807; in the MDD or in the laws or regulations of any Third Country;

(iv) all applicable design, manufacturing and testing requirements set forth in 21 C.F.R. § 820; in the MDD or in the laws or regulations of any Third Country;

(v) all applicable complaint handling requirements set forth in 21 C.F.R. § 820.198; in the MDD or in the laws or regulations of any Third Country; including without limitation the record keeping and investigation requirements thereof;

(vi) the medical device reporting requirements set forth in 21 C.F.R. § 803; the adverse event reporting requirements set forth in the MDD and any similar requirements set forth in the laws or regulations of any Third Country; and

(vii) the removal and corrections requirements set forth in 21 C.F.R. § 806; in the MDD or in the laws or regulations of any Third Country.

There have been no recalls, field notifications, alerts or seizures requested or threatened relating to the Products or the Business.

The Seller has provided to the Purchaser true and complete copies of all 510(k) clearance or approval letters received by the Seller from the FDA in connection with the Business and provided the Purchaser with access to all related documents and information, including device master files. The Seller has provided to the Purchaser true and complete copies of all European Union notified body's certifications and all approvals and registrations from the Third Countries relating to the Business.

The Seller has provided to the Purchaser true and complete copies of all medical device reports, complaints, corrective actions, malfunctions, adverse event reports and the like with respect to the Business. There is no safety, quality or efficacy issue with regard to the Products that would reasonably be expected to materially or substantially impair the ability of the Purchaser to successfully market and sell the Products. All manufacturing operations of the Business have been, and are being, conducted in material compliance with applicable good manufacturing processes and quality systems regulations, and all manufacturing and testing processes are sufficiently documented to permit such material compliance.

K. Employees.

1. Employee Benefit Plans. Schedule 4.1(K)(1) sets forth a true and complete list of (i) all bonus, equity incentive, deferred compensation, medical, dental and life insurance, retirement, severance and other benefit plans, programs or arrangements, that are maintained, contributed to or sponsored by the Seller for the benefit of any current or former employee, (ii) all employee manuals, handbooks and other policies and (iii) all material employment, termination, severance or other contracts, agreements or arrangements, pursuant to which Seller has any obligation with respect to any current or former employee (collectively, the "Employee Plans"). The Seller has provided to the Purchaser a true and complete copy of each Employee Plan.

2. Labor and Employment Matters. The Seller is not a party to any labor or collective bargaining contract that pertains to any Employees (as defined below). There are no organizing activities or collective bargaining arrangements that could affect the Business pending or under discussion with any labor organization or Employee. There are, and since January 1, 2010 have been, no lockouts, strikes, slowdowns or work

stoppages pending or threatened by or with respect to any Employees. To Seller's knowledge, no Employee other than Keith Jansen has a current intention to resign during the twelve (12) months following the Closing. The Seller is not currently a party to, and, to the knowledge of the Seller, the Seller has not been threatened with, any Legal Proceeding by any Employee or former employee of the Seller.

3. List of Employees. Schedule 4.1(K)(3) contains a true and complete list of the following information for each employee (" Employee") and each contractor: name; job title; address; date of commencement of employment or engagement; current compensation paid or payable including target bonus levels; average number of weekly hours worked; participation in any Employee Plan; and the amount of time and US dollar value of vacation and personal leave that is accrued but unused. Except as disclosed in Schedule 4.1(K)(3), the employment of each Employee and the engagement of each contractor is terminable by the Seller at will. All Employees have been, and currently are, properly classified as either an exempt or non-exempt employee under the Fair Labor Standards Act of 1938, as amended, and under any applicable state law. Each Employee of the Seller is in compliance with all applicable visa and work permit requirements.

L. Suppliers. A true and complete list of all suppliers to the Seller, together with available contact information and pricing for each component sold to the Seller, is attached hereto as Schedule 4.1(L). The Seller has no knowledge of any condition, event or occurrence that could reasonably be anticipated to materially adversely affect, after the Closing, the supply of materials or provision of services to the Business by any third party.

M. Insurance Policies. Schedule 4.1(M) accurately lists all policies of insurance relating to the Business currently maintained by the Seller. All such insurance is in full force and effect, and no premiums thereon are due and unpaid. No notice of cancellation or termination has been received by the Seller with respect to any such policy of insurance, no claim is currently reserved or, to the knowledge of the Seller, should be reserved under any policy of insurance, and all of the Seller's insurance is so-called "occurrence-based" insurance. The Seller does not have and has not had any insurance that is or was maintained as self-insurance. The Seller does not have, and has not had, any claims against any of its general liability, products liability, directors and officers or workers compensation insurance policies.

N. Sufficiency of Assets: The Assets include (i) all of the assets, properties and rights necessary to the operation of the Business as the Business has been historically operated by the Seller; and (ii) all of the intellectual property rights used in or necessary to the manufacture and sale of the Products. Other than TES systems, the Products are the only products manufactured or sold by the Seller in the three years prior to the date hereof.

O. Inventory. A true and complete aged list of the Inventory as at June 30, 2013 and as of the Closing Date, reported separately by inventory depot, location and

value, is attached hereto as Schedule 4.1(O)(a). A true and complete list setting forth the remaining shelf life for finished goods disposable Products as of the Closing Date is attached hereto as Schedule 4.1(O)(b). The Inventory consists of solely of items that (i) are of a quantity and quality usable and saleable in the ordinary course of the Business and (ii) are not opened, damaged, obsolete, faulty, slow-moving or otherwise unmarketable. The Inventory does not consist of any items held on consignment. The Seller has no knowledge of any condition, event or occurrence that could reasonably be anticipated to adversely affect, after the Closing, the supply of Inventory or any components thereof by any third party.

P. Customers. A true and complete list of all customers of the Seller for the last three years, together with available contact information, is attached hereto as Schedule 4.1(P). The Seller has not received notice from, and is not otherwise aware that, any customer of the Business intends to stop purchasing Products from the Seller.

Q. Brokers' Fees. The Seller has made no agreement or taken any other action which will cause the Purchaser to become obligated for any broker's or other fee or commission as a result of any of the transactions contemplated by this Agreement. Any broker's fee incurred by the Seller shall be paid by the Seller.

R. TES System. The Seller has discontinued the TES system and does not, and will not, manufacture, market, distribute or sell the TES system. The Distribution Agreement between Smith & Nephew, Inc. and Veinovations, LLC dated January 26, 2006 for TES products, which was duly and validly assigned to the Seller, has been terminated and is of no further force and effect.

S. Accounts Payable and Receivable. Set forth on Schedule 4.1(S) under the sub-heading "Payables" is a true and complete list of all payables owed by the Seller as of the Closing Date, totaling $56,081 in the aggregate (the " Payables"). Payables shall also include (i) any amounts accrued but not yet due or payable under any of the Purchased Commitments for the purchase of inventory and (ii) any amounts accrued but not yet due or payable under any of the Purchased Commitments not involving the purchase of inventory provided that such amounts shall not exceed $3,000 in the aggregate. Set forth on Schedule 4.1(S) under the sub-heading "Receivables" is a true and complete list of all receivables owing to the Seller as of the Closing Date, totaling $201,959 in the aggregate (the "Receivables"). There are no other payables owing by the Seller or receivables owing to the Seller.

T. Real Property. The Lease is the only lease of real property used in the Business. The Seller enjoys peaceful and quiet possession of its leased Premises, has not subleased or granted any rights to third parties for the use of such leased property, has not received any written notice from the landlord asserting the existence of a material default or other outstanding liability under the Lease.

U. Hazardous Materials. No Hazardous Materials are or were used in the Seller's Business, whether by Seller or any third party engaged by the Seller in

connection with the production of any of the Products. For purposes of this Agreement, " Hazardous Material" shall mean any pollutant, toxic substance, hazardous waste, hazardous material, hazardous substance or oil or other petroleum product, as any of the foregoing may be defined in any Environmental Law, where "Environmental Law" shall mean any and all applicable federal, state, county or local law, ordinance or regulation relating to the generation, discharge, release, containment, storage, transportation, disposal, assessment or cleanup of Hazardous Materials or other contaminants or similar materials, including without limitation the following: (1) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. §9601 et seq.; (2) the Toxic Substances Control Act, 15 U.S.C. §2101 et seq.; (3) the Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. §136; (4) the Hazardous Materials Transportation Act, 49 U.S.C. §§1801 to 1812; (5) the Federal Water Pollution Control Act, 32 U.S.C. §1251 et seq.; (6) the Federal Solid Waste Disposal Act; (7) the Federal Clean Air Act, 42 U.S.C. §1857 et seq.; and (8) any other federal, state, county, or local statutes or implementing regulations (or any other statutes or implementing regulations of any other Governmental Entity) relating to, regulating, or having jurisdiction over, any environmental contamination, Hazardous Material, or release or threat of release of Hazardous Material. The Seller is, and has at all times been, in material compliance with all applicable Environmental Laws and has obtained and is in compliance with all required environmental permits and there are no claims pursuant to any Environmental Law pending or, to the knowledge of the Seller, threatened, against the Seller in connection with the conduct or operation of the Business or the ownership or use of the Assets.

V. Disclosure. The representations and warranties contained in this Section 4.1 and in the documents, instruments and certificates delivered by the Seller pursuant to this Agreement do not contain any untrue statement of fact or omit to state any material fact necessary in order to make the statements and information contained therein not misleading.

Section 4.2. Representations and Warranties by the Purchaser. The Purchaser represents and warrants to the Seller that:

A. Existence and Qualification of The Purchaser; Due Execution, Etc . The Purchaser is a corporation duly organized, validly existing and in good standing under the Laws of the state of Delaware and has all requisite corporate power and authority to execute, deliver and perform this Agreement and the Closing Documents to be executed by it and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and the Closing Documents to be executed by the Purchaser and the consummation by the Purchaser of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate action and, assuming the due execution of this Agreement by the Seller, this Agreement and the Closing Documents to be executed by the Purchaser constitute valid and binding obligations of the Purchaser enforceable against it in accordance with their respective terms, subject only to applicable bankruptcy, insolvency, reorganization, moratorium or other similar Laws relating to creditors' rights generally and to general principles of equity (regardless of whether such enforcement is considered in a proceeding at law or in equity).

B. No Violation. Neither the execution or delivery by the Purchaser of this Agreement or the Closing Documents to be executed by the Purchaser nor the consummation of the transactions contemplated hereby or thereby: (i) violates or will violate any Order applicable to the Purchaser; or (ii) results or will result in a breach of or default under the Certificate of Incorporation of the Purchaser. No consent, authorization, or approval from, or registration or filing with, any Governmental Entity or other third party (not obtained or made as of the date hereof) is required to be obtained or made by or with respect to the Purchaser in order to perform its obligations under this Agreement.

ARTICLE V
Certain Covenants.

Section 5.1. Insurance. From and after Closing for a period of five years, the Seller shall maintain general liability and products liability insurance policies with coverage at levels the same as carried by the Seller prior to Closing, naming the Purchaser as an Additional Insured, either through its insurance carriers on the date hereof, or if there would be a material difference in cost, through the Purchaser's insurance carriers. In the event that such insurance is provided through Purchaser's insurance carriers and Purchaser is the primary insured thereunder, the Seller shall be named as an Additional Insured for such period. In either event, the Seller shall bear all costs of the maintenance of such insurance policies.

Section 5.2. Cooperation Regarding Taxes; Seller Tax Returns. From and after the Closing, each party will use commercially reasonable efforts to make available to the other party, upon written request and with the requesting party bearing responsibility for all of its out-of-pocket expenses therefor, such individuals who have been employed by or represented the other party whose assistance or participation is reasonably required by the requesting party in anticipation of, or preparation for, existing or future Legal Proceedings, Tax Return preparation, audits or other matters in which the requesting party or any of its Affiliates is involved and that is related to the other party. Each party will reasonably cooperate with the other party in the conduct of any Tax audit, claim for refund of Taxes or similar proceedings involving or otherwise relating to any of the Assets or the Seller (or the income therefrom or assets thereof). The Seller will prepare and file or cause to be prepared and filed all Tax Returns for the Seller that are required to be filed with respect to the Seller through the Closing Date. The Seller will pay or cause to be paid all Taxes required to be paid by Seller with respect to such Tax Returns. The Seller will pay all Taxes arising with respect to the Seller (or, if applicable, reimburse the Purchaser for the payment of such Taxes) attributable to taxable periods ending on or before the Closing Date or with respect to the allocable portion of any taxable period that includes but does not end on the Closing Date where the Purchaser is obligated to pay such Taxes. Each party shall pay 50% of any sales or excise Taxes applicable to the sale of Assets hereunder. For purposes of this Agreement, (i) "Tax" or

"Taxes" includes all federal, state, local, foreign and other taxes, assessments, or governmental charges of any kind whatsoever including, without limitation, income, franchise, capital stock, excise, property, sales, use, service, service use, leasing, leasing use, gross receipts, value added, single business, alternative or add-on minimum, occupation, real and personal property, stamp, workers' compensation, severance, windfall profits, customs, duties, disability, registration, estimated, environmental (including Taxes under Internal Revenue Code Section 59A), transfer, payroll, withholding, employment, unemployment and social security taxes, or other taxes of the same or similar nature, together with any interest, penalties or additions thereon and estimated payments thereof, whether disputed or not, (ii) "Tax Return" or "Tax Returns" includes all returns, reports, information returns, forms, declarations, claims for refund, statements and other documents (including any amendments thereto and including any schedule or attachment thereto) in connection with Taxes that are required to be filed with a Governmental Entity or other tax authority, or sent or provided to another party under applicable Law, and (iii) all citations of the Internal Revenue Code of 1986, as amended, or to the treasury regulations promulgated thereunder in this Agreement shall include any amendments or successor provisions thereto.

Section 5.3. Further Assurances. Each party agrees that at or subsequent to the Closing, upon the written request of the other party, it will promptly execute and deliver or cause to be promptly executed and delivered any further assignment, instruments of transfer, bills of sale or conveyances, and shall otherwise cooperate with the other party, all to the extent reasonably necessary or desirable to vest fully in the Purchaser all of the Seller's right, title and interest in and to the Assets or to otherwise confirm the transactions contemplated hereby, including without limitation any filings or correspondence with any regulatory agency, notified body or other person regarding Approvals, product recalls, adverse event reports and the like. The Seller also agrees that it shall, at the reasonable request of the Purchaser and at the Purchaser's sole expense, use commercially reasonable efforts to enforce (a) the terms of any confidentiality, non-disclosure or non-competition agreement between the Seller and any third party and (b) any provisions relating to confidentiality, non-disclosure or non-competition contained in any other agreement to which the Seller is party, in each case if the Purchaser is harmed, or has a reasonable expectation of harm, due to the breach or potential breach of any such agreement or provisions by a third party.

Section 5.4. Restrictive Covenants.

A. Covenant Not to Compete or Disparage. Seller agrees that for a period of five (5) years commencing on the Closing Date (the " Restricted Period"), neither the Seller nor any Affiliate of the Seller will, directly or indirectly, own, manage, operate, finance, join, or control, or participate in the ownership, management, operation, financing or control of, or be associated as a partner, lender, investor or representative in connection with, or appoint any director, manager or other representative of, any profit or not-for-profit business or enterprise that: (i) engages in any Competitive Activity, (ii) interferes with the business relationship which the Purchaser has or may have with any past, existing or prospective customer or supplier of the Seller, or (iii) disparages the

Purchaser, the Business or the Products in any way. "Competitive Activity" shall mean the design, manufacture, sale or distribution of any of the Products, any products similar in design, form or function to the Products, or any products designed to directly treat varicosities of the lower extremities (legs). For the avoidance of doubt, technologies that treat other venous structures (including, but not limited to saphenous vein ablative technologies) do not constitute Competitive Activity, so long as they are not also indicated for treatment of varicosities in venous side branches or tributaries (excluding perforators).

Notwithstanding the foregoing, this Section 5.4(A) shall not prohibit or restrict the ability of the Seller or its Affiliates to beneficially own 5% or less of the outstanding stock of any company engaging in Competitive Activity provided such stock is publicly traded on a nationally recognized securities exchange.

B. Non-Solicitation and Non-Disclosure. The Seller shall not (a) at any time during the Restricted Period directly or indirectly solicit, induce or attempt to induce to enter the employ of the Seller or any other person or entity any employees of Seller who are employed by Purchaser for a period of at least 60 days following the Closing or (b) at any time after the Closing directly or indirectly divulge, or permit to be divulged to others, or use in any way any Proprietary Information. As used herein, the term "Proprietary Information" shall mean the terms of this Agreement and all confidential information concerning the Purchaser, the Business and the Assets, including client and customer lists, trade secrets, data, information, documents, inventions, developments, or forms owned or used by the Seller (on or prior to the Closing Date) included in the Assets transferred to the Purchaser pursuant to this Agreement, whether or not any of the foregoing is published or unpublished, protected or susceptible to protection under patent, trademark, copyright or similar laws and whether or not any party has elected to secure or attempted to secure such protection; provided however, that the Seller may disclose any Proprietary Information solely to the extent and in the circumstances reasonably (i) needed to be disclosed to a court of competent jurisdiction in order for the Seller to pursue any claim against (x) the Purchaser hereunder or (y) any other person pursuant to Section 5.3; (ii) required to be disclosed by a court of competent jurisdiction; or (iii) required by Law to be disclosed to a Governmental Entity; provided, however, that the Seller provides to the Purchaser reasonable advance opportunity, where practicable, to seek *in camera* or other protection with respect to such disclosure.

C. Equitable Relief. The Seller and the Purchaser each acknowledge that any breach of the covenants contained in Section 5.4(A) and (B) would cause an irreparable injury to the non-breaching party and that damages and remedies at law for any breach of any such covenant would be inadequate. The Seller and the Purchaser each acknowledge that, in addition to any other remedies available to the non-breaching party, the non-breaching party shall, without the necessity of proving actual damages or posting any bond or other security, be entitled to injunctive relief and other equitable relief to prevent a breach of any such covenant.

D. Judicial Determinations. It is the desire and intent of the parties to this Agreement that the provisions of this Section 5.4 be enforced to the fullest extent permissible under the Laws and public policies applied in each jurisdiction in which enforcement is sought. If any particular provision or portion of this Section 5.4 shall be adjudicated to be invalid, ineffective or unenforceable, this Section 5.4 shall be deemed automatically amended to delete therefrom such provision or portion adjudicated to be invalid, ineffective or unenforceable, such amendment to apply only with respect to the operation of such provision in the particular jurisdiction with respect to which adjudication is made.

Section 5.5. Discharge of Liabilities. Without limiting the provisions of Sections 3.2 or 6.1 hereof, the Seller acknowledges that it is retaining all Excluded Liabilities and shall be solely responsible for the payment or discharge of any and all Excluded Liabilities. All excise, sales, use, transfer and all other Taxes incurred in connection with the sale of the Assets shall be borne 50% by the Seller and 50% by the Purchaser.

Section 5.6. Transition Services. The Seller shall use its commercially reasonable efforts to make Keith Jansen available at the Purchaser's reasonable request (and Purchaser's sole expense) for consultation for twelve months following the Closing Date on any matters related to the Business.

Section 5.7. Customer Transition. In order to facilitate the proper payment of invoices and the submission of new orders following the Closing Date, and to provide otherwise for a smooth transition of the Seller's Business, the Purchaser and the Seller shall cooperate in the introduction of the Purchaser by Seller to customers of the Business, at the Purchaser's option, and will direct customers to submit new orders for Products and to make payments to the Purchaser for Product shipped after the Closing Date. The Seller acknowledges that it may receive payment of Receivables or accounts receivable of the Purchaser. To the extent that the Seller receives any payments that should have been paid to the Purchaser, the Seller shall promptly (and in any event no later than five (5) Business Days thereafter) pay over to the Purchaser the amount of such payments. For a period of twelve (12) months following the Closing Date, the Seller and its Affiliates shall immediately forward by facsimile to the Purchaser all Product orders received from any customer.

Section 5.8. Regulatory Transfers. The Seller agrees to, and to cause its Affiliates and other business associates to, cooperate with the Purchaser (subject to Purchaser reimbursing Seller for any costs or other expenses incurred by Seller or its Affiliates related to regulatory transfers) following the Closing Date to transfer all regulatory approvals and product registrations of the Seller to the Purchaser or its designee. In connection therewith, the Seller shall execute and deliver to the Purchaser a regulatory letter in the form of Exhibit F to this Agreement at Closing. The Seller grants to the Purchaser the right to refer to the Seller's regulatory filings related to the manufacture, marketing, sale and distribution of each of the Products. Upon request from the Purchaser, the Seller will supply the Purchaser with copies of such filings.

Section 5.9. Transition of Certain Employees. Notwithstanding anything in this Agreement to the contrary, the Seller agrees that the Purchaser may offer employment to any of the Seller's Employees. The Seller shall be responsible for providing termination notices to any such Employees who elect to be employed by the Purchaser and for otherwise effecting such termination in compliance with applicable Laws. The Seller shall satisfy any amounts owing to such Employees at the time of their termination, including, but not limited to, wages owed, any amount owing for accrued vacation, any reimbursement of expenses and any other amounts required to be paid under applicable Law.

Section 5.10. Transfer of Tangible Assets; Books and Records. The Seller shall take all commercially reasonable efforts to ensure that all records of the Seller, to the extent constituting Assets, are provided to the Purchaser at Closing or as quickly thereafter as is practicable. Until at least September 30, 2013, the Seller shall maintain the Lease for the Premises, paying rental amounts as and when they are due, and shall permit the Purchaser to use and access the Premises for the purposes of transitioning the Business and the removal any and all of the Assets from the Premises. The Purchaser shall remove any and all of the Assets from the Premises upon reasonable notice to the Seller and no later than September 30, 2013. The Purchaser shall indemnify Seller for any accidents, damages or other claims as may arise from Purchaser, its employees or agents accessing the Premises or removing any Assets therefrom.

Section 5.11. Allocation of Purchase Price. The Seller and the Purchaser agree to use commercially reasonable efforts to agree upon the allocation of the consideration payable hereunder amongst the Assets within a reasonably prompt period following the Closing. The Seller and the Purchaser agree that their respective tax returns (including IRS Form 8594 – Asset Acquisition Statement) relating to the Transfer of the Assets hereunder will be consistent with such allocation.

Section 5.12. Public Statements. The parties shall consult with each other before issuing any press release or otherwise making any public statements with respect to this Agreement or the transactions contemplated hereby, and no party shall issue any press release or make any public statement prior to obtaining the other party's prior approval, which approval shall not be unreasonably withheld, except that no such approval shall be necessary to the extent disclosure may be required by applicable Law or the rules of any

stock exchange. The Seller acknowledges that the Purchaser may be required to file this Agreement and one or more of the Closing Documents with the United States Securities and Exchange Commission.

Section 5.13. Use of Seller Name and Address. The Purchaser shall be permitted to use the Seller's "InaVein, LLC" trade name and the Seller's address following the Closing Date solely in connection with: (i) the registration and the re-registration of the TRIVEX system and any disposables related to such system in China with the China Food and Drug Administration (the "CFDA"); (ii) the sale of Inventory sold to the Purchaser by the Seller pursuant to this Agreement; and (iii) the sale of any Product during the period between the Closing Date and the date that the Purchaser has made all necessary filings, and has received all necessary licenses, clearances, approvals and registrations, to sell such Product in China under the Purchaser's name and address; provided, that the Purchaser shall use diligent efforts to accomplish such activities as soon as possible after Closing. The Seller shall maintain the current address of the Premises for receipt of mail until the earlier of (x) the date of the Purchaser's receipt of the last Product approval from the CFDA and (y) August 31, 2014. In connection with clause (i) of this Section, the Seller shall execute and deliver to the Purchaser a limited Power of Attorney in the form of Exhibit G to this Agreement at Closing. The Seller shall not revoke the Power of Attorney at any time.

Section 5.14. CFDA Re-registration. The Purchaser shall submit all required documentation and shall pay all required fees through the appropriate channels to the CFDA as soon as practicable following the Closing Date in order to re-register the TRIVEX system and any disposables related to such system in China with the CFDA. Purchaser shall pay for all filing fees and expenses incurred in connection therewith or, if Seller advances any such fees or expenses (in its sole discretion), Purchaser shall reimburse Seller within five (5) Business Days of its request (from time-to-time) for any such reimbursements.

Section 5.15. Distributor Inventory. Until all Inventory held by any distributor of the Products is returned to the Purchaser, the Seller shall not pay any amounts owing to any such distributor. If by September 30, 2013, such distributors shall have failed to return to the Purchaser $122,000 or more in the aggregate of good, saleable Inventory, then within ten (10) Business Days of such date, the Seller shall pay to the Purchaser the difference between $122,000 and the value of good, saleable Inventory returned. Purchaser shall use commercially reasonable efforts to have all Inventory held by any distributor returned prior to September 30, 2013. Inventory that Purchaser elects in its sole discretion to have remain in any hospital or doctor's office shall be deemed returned to Purchaser for purposes of this Section 5.15. The determination of the Inventory returned or returnable pursuant to this Section 5.15 shall be made without giving effect to the right of Purchaser in Section 1.2(A) to deem any Assets to be Excluded Assets following the Closing.

Section 5.16. Bill of Sale. Each of the Seller and the Purchaser shall perform all of their respective obligations set forth in the Bill of Sale and General Assignment and Assumption Agreement delivered at the Closing, the terms of which are incorporated in this Agreement.

ARTICLE VI
Indemnification; Survival of Representations and Warranties.

Section 6.1. Indemnification by Seller. The Seller hereby agrees to defend, hold harmless and indemnify the Purchaser and its Affiliates and their respective employees, officers, directors, stockholders, partners and representatives (" Purchaser Parties") from and against any actual damages or losses, assessments, claims, costs and expenses (including without limitation reasonable attorneys' fees and disbursements) which arise out of or relate to:

A. any misrepresentation in, breach of or failure to comply with, any of the representations, warranties, covenants or agreements of the Seller contained in this Agreement, including without limitation in the Disclosure Schedule, or in any other Closing Document or in any certificate or other instrument or document furnished or to be furnished by the Seller or its Affiliates pursuant to this Agreement or any of the Closing Documents or in connection with the transactions contemplated hereby or thereby;

B. any Liabilities of the Seller or its Affiliates, other than the Assumed Liabilities;

C. any recalls or replacements required of Purchaser or Seller by any competent Governmental Entity or otherwise deemed appropriate by mutual agreement of the Seller and the Purchaser related to any Product manufactured, sold or distributed prior to the Closing;

D. any claim, demand, action or proceeding initiated by any third party based upon infringement of a patent, trademark, copyright or trade secret, or similar intellectual property rights as a result of Seller's use or practice of the Intellectual Property or conduct of the Seller's Business;

E. any negligent or fraudulent act or omission or willful misconduct of the Seller or its employees, agents or representatives in the performance of this Agreement; and

F. without limiting the generality of the preceding clauses, any Taxes attributable to the Seller's Business for all periods prior to Closing, and all other Taxes of the Seller or its Affiliates, in each case regardless of whether such losses, assessments, Liabilities, claims, damages, costs and expenses, or the facts or circumstances relating thereto, were disclosed hereunder or in the Disclosure Schedule or otherwise.

All such losses, assessments, liabilities, claims, damages, costs and expenses so arising out of or relating to any of the foregoing clauses (A) through (F), inclusive, of this Section 6.1, or the matters described therein, are referred to hereinafter as the " Purchaser's Losses."

Section 6.2. Indemnification by the Purchaser. The Purchaser hereby agrees to defend, hold harmless and indemnify the Seller and its Affiliates and their respective employees, officers, directors, stockholders, partners and representatives (" Seller Parties") from and against any losses, assessments, Liabilities, claims, damages, costs and expenses (including without limitation reasonable attorneys' fees and disbursements) to the extent arising out of:

A. any misrepresentation in, breach of or failure to comply with, any of the representations, warranties, covenants or agreements of the Purchaser contained in this Agreement or in any other Closing Document or in any certificate or other instrument or document furnished or to be furnished by the Seller pursuant to this Agreement or any of the Closing Documents or in connection with the transactions contemplated hereby or thereby;

B. the Purchaser's failure, following the Closing, to perform, pay or discharge in accordance with their respective terms, the Assumed Liabilities; and

C. any negligent or fraudulent act or omission or willful misconduct of the Purchaser or its employees, agents or representatives in the performance of this Agreement.

All such losses, assessments, liabilities, claims, damages, costs and expenses so arising out of or relating to any of the foregoing clauses (A) through (C), inclusive, of this Section 6.2, or the matters described therein, are referred to hereinafter as the " Seller's Losses."

Section 6.3. Survival of Representations and Warranties; Baskets. The representations, warranties, covenants and agreements contained in this Agreement shall survive the Closing. With the exception of specific performance which, pursuant to Section 5.4, may be sought by the Purchaser with respect to the covenants in such Section and other than with respect to claims for fraud, the indemnification obligations of the parties hereto are the exclusive remedy of the Purchaser and the Seller hereunder for any claim or breach or alleged breach of this Agreement. Subject to the preceding sentence and the exception contained therein, each party hereto waives any claim or cause of action against the other party, other than its indemnification rights set forth in Article VI and the right to enforce those indemnification rights in the event of any breach of this Article VI, and acknowledges that this is a material inducement for each party to enter into this Agreement. No action for a breach of any representation or warranty of the Seller shall be brought later than the date that is thirty months following the Closing Date, unless written notice by the Purchaser of a breach or alleged breach thereof has

been provided to the Seller on or prior to such date; except that action for a breach of the Seller's representations and warranties under Sections 4.1(G), 4.1(H), 4.1(J) or 4.1(K), respectively, and any and all indemnification obligations relating thereto, may be brought up to the earlier of (x) the fourth anniversary of the Closing Date and (y) ninety (90) calendar days following the expiration of the applicable statute(s) of limitation relating to any claim giving rise to the Purchaser's Losses related thereto. For avoidance of doubt, no action may be initiated by any person for indemnification under this Agreement after the fourth anniversary of the Closing Date, unless written notice by such person of a breach or alleged breach thereof has been provided to the other party hereto on or prior to such date. The Purchaser Parties shall not be entitled to recover any of Purchaser's Losses pursuant to Section 6.1 unless and until the Purchaser Parties' aggregate claims therefor exceed $20,000, at which point the Indemnitor shall be obligated to reimburse the Indemnitee for all Purchaser's Losses; provided, however, that this sentence shall not apply to (and be disregarded in its entirety with respect to) any breach by the Seller of its obligations under Section 3.2 or Section 5.15 of this Agreement. The Seller Parties shall not be entitled to recover any of Seller's Losses pursuant to Section 6.2 unless and until the Seller Parties' aggregate claims therefor exceed $20,000, at which point the Indemnitor shall be obligated to reimburse the Indemnitee for all Seller's Losses; provided, however, that this sentence shall not apply to (and be disregarded in its entirety with respect to) any breach by the Purchaser of its obligations under Section 2.2 or 3.1 of this Agreement. Except in the case of fraud, in no event shall the aggregate liability of Seller pursuant to this Article VI (regardless of the nature of the claims, other than fraud) exceed the Purchase Price.

Section 6.4. Procedures.

A. In the event that any Legal Proceeding shall be threatened or instituted in respect to which indemnification may be sought by one party hereto from another party under the provisions of this Article 6, the party seeking indemnification ("Indemnitee") shall, reasonably promptly after acquiring actual knowledge of such threatened or instituted Legal Proceeding, cause written notice in reasonable detail of such threatened or instituted Legal Proceeding covered by this indemnification, to be forwarded to the other party from which indemnification is being sought (" Indemnitor"); provided, however, that the failure to provide such notice as of any particular date as aforesaid will not affect any rights to indemnification hereunder, except to the extent, and only to such extent, that such failure to provide such notice actually and materially prejudices the Indemnitor's ability to adequately defend such Legal Proceeding. In the case of any Loss not involving a Legal Proceeding, the Indemnitee shall, reasonably promptly after acquiring actual knowledge of such Loss, cause written notice in reasonable detail of such Loss covered by this indemnification, to be forwarded to the Indemnitor; provided, however, that the failure to provide such notice as of any particular date as aforesaid will not affect any rights to indemnification hereunder.

B. In the event of the initiation of any Legal Proceeding against an Indemnitee by a third party, the Indemnitor shall have the absolute right after the receipt of the notice described in Section 6.4(A), at its option and at its own expense, to be

represented by counsel of its choice, and (subject to Section 6.4(C)) to defend against, negotiate, settle or otherwise deal with any Legal Proceeding or demand that relates to any Purchaser's Losses or Seller's Losses, as the case may be, indemnified against hereunder, and, in such event, the Indemnitee will reasonably cooperate with the Indemnitor and its representatives in connection with such defense, negotiation, settlement or dealings (and the Indemnitee's costs and expenses arising therefrom or relating thereto shall constitute Purchaser's Losses, if the Indemnitee is the Purchaser, or Seller's Losses, if the Indemnitee is the Seller); provided, however, that the Indemnitee may directly participate in any such Legal Proceeding so defended with counsel of its choice at its own expense. However, if the Indemnitor fails to take reasonable steps necessary to defend diligently such third party claim within 10 Business Days after receiving written notice from the Indemnitee that the Indemnitee reasonably believes the Indemnitor has failed to take such steps or if the Indemnitor has not undertaken fully to indemnify the Indemnitee in respect of all such Purchaser's or Seller's Losses, as the case may be, relating to the matter and as and to the extent required hereunder, the Indemnitee may assume its own defense, and, in such event (a) the Indemnitor will be liable for all Purchaser's or Seller's Losses, as the case may be, reasonably paid or incurred in connection therewith, and (b) the Indemnitor shall, in any case, reasonably cooperate, at its own expense, with the Indemnitee and its representatives in connection with such defense.

C. Without the prior written consent of the Indemnitee, which shall not be unreasonably withheld, conditioned or delayed, the Indemnitor will not enter into any settlement of any third party claim which would lead to liability or create any financial or other obligation on the part of the Indemnitee for which the Indemnitee is not entitled to indemnification hereunder or which would otherwise adversely affect the Indemnitee, the Assets or the Business.

D. An Indemnitee shall use commercially reasonable efforts to pursue and collect any amounts payable under insurance policies on account of Purchaser's Losses (if the Indemnitee is the Purchaser) or Seller's Losses (if the Indemnitee is the Seller), but only if doing so will not result in (a) a material increase in premiums due then or in the future to procure comparable insurance or an increase in deductibles; or (b) a decrease in the levels of insurance or a change in the risks insured against; or (c) prejudice to the Indemnitee's claims or rights to indemnification hereunder.

E. After any final judgment or award shall have been rendered by a Governmental Entity of competent jurisdiction, or a settlement shall have been consummated, or the Indemnitee and the Indemnitor shall have arrived at a mutual agreement with respect to each separate matter alleged to be indemnified by the Indemnitor hereunder, the Indemnitee shall forward to the Indemnitor notice of any sums due and owing by it with respect to such matter, and the Indemnitor shall pay all of the sums so owing to the Indemnitee by wire transfer or certified or bank cashier's check within 10 Business Days after the date of such notice. Subject to the limitations set forth in this Article VI, any and all Purchaser's Losses or Seller's Losses, other than those described in the preceding sentence (including Purchaser's Losses or Seller's Losses

incurred in the absence of any threatened or pending Legal Proceeding, or Purchaser's Losses or Seller's Losses incurred after any such Legal Proceeding has been threatened or instituted but prior to the rendering of any final judgment or award in connection therewith), shall be paid by the Indemnitor on a current basis, and, without limiting the generality of the foregoing, the Indemnitee shall have the right to invoice the Indemnitor for such Purchaser's Losses or Seller's Losses, as the case may be, as frequently as it deems appropriate, and the amount of any such Purchaser's Losses or Seller's Losses, as the case may be, which are described or listed in any such invoice shall be paid to the Indemnitee, by wire transfer or certified or bank cashier's check, within 10 Business Days after the date of such invoice. Notwithstanding the foregoing, the Purchaser's claims for indemnification pursuant to this Article VI shall be satisfied first from the Holdback Amount, second from any other amounts that may be owing from the Purchaser to the Seller under Section 2.2(c), (d) or (e), and then, to the extent those funds are insufficient to pay all such claims, directly by the Seller pursuant to this Section 6.4.

F. To the maximum extent permitted by law, it is the intention of the parties to treat any indemnity payment made under this Agreement as an adjustment to the purchase price.

G. The amount of any Losses with respect to any indemnification claim hereunder shall be determined net of any insurance proceeds and any indemnity, contribution or other similar payment actually received by the Indemnitee with respect to such claim (such proceeds or payment to be paid over to the Indemnitor up to the amount paid by the Indemnitor if received after payment of the indemnification claim by the Indemnitor).

H. The parties agree that they shall use commercially reasonable efforts to mitigate any Losses that may give rise to claims for indemnification under this Article VI.

I. Upon payment of any amount pursuant to this Article VI, the Indemnitor shall be subrogated, to the extent of such payment, to all of the Indemnitee's rights of recovery against any third party with respect to the matters to which such indemnification claim relates. The Indemnitor shall not, however, have the right to collect aggregate payments from such third party or third parties in excess of the actual amount of the indemnification payment previously paid by Indemnitor with respect to such Losses.

J. The Indemnitee agrees that it will not waive any statute of limitations or defense that would increase the liability of the Indemnitor without the consent of the Indemnitor, which shall not be unreasonably withheld, conditioned or delayed.

K. This Article VI shall survive the Closing and shall thereafter remain in full force and effect.

ARTICLE VII
Miscellaneous.

Section 7.1. Entire Agreement. This Agreement (including the Disclosure Schedule) together with all other Closing Documents (i) supersedes any other prior or contemporaneous agreement, whether written or oral, that may have been made or entered into by any party or any of their respective Affiliates (or by any director, officer or representative thereof) with respect to the subject matter hereof and (ii) constitutes the entire agreement of the parties hereto with respect to the matters provided for herein and there are no agreements or commitments by or among such parties or their Affiliates with respect to the subject matter hereof. No investigation or receipt of information by or on behalf of the Purchaser will diminish or obviate any of the representations, warranties, covenants or agreements of the Seller under this Agreement or the conditions to obligations of the Purchaser under this Agreement.

Section 7.2. Amendments. No amendment, modification or alteration of the terms or provisions of this Agreement shall be binding unless the same shall be in writing and duly executed by the Purchaser and the Seller.

Section 7.3. Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the parties hereto, and their respective successors and permitted assigns. This Agreement is freely assignable by the Purchaser but may not be assigned by the Seller, including without limitation by operation of law, without the prior written consent of the Purchaser; provided, however, that any such assignment by the Purchaser shall not relieve it of its obligations hereunder. For purposes of this Section 7.3, the term “assignment” shall include the consolidation or merger of a party with and into a third party or the sale of all or substantially all of the assets or business of a party. Any attempted assignment in violation of this Section 7.3 shall be null and void.

Section 7.4. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original for all purposes and all of which together shall constitute one and the same instrument.

Section 7.5. Headings and Section References. The headings of the sections and paragraphs of this Agreement are included for convenience only and are not intended to be a part of, or to affect the meaning or interpretation of, this Agreement. All section references herein, unless otherwise clearly indicated, are to sections within this Agreement.

Section 7.6. Waiver. No failure or delay by either the Purchaser or the Seller in exercising any right, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies otherwise provided by law.

Section 7.7. Expenses. The Seller and the Purchaser shall each pay all of their own respective costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby.

Section 7.8. Notices. Any notice, request, instruction or other document to be given under this Agreement by any party hereto to any other party shall be in writing and delivered by email and delivered personally, dispatched by facsimile transmission or sent by a nationally recognized overnight courier service or by registered or certified mail, postage prepaid:

If to the Seller, at the following address:

InaVein, LLC
c/o Frank Pinto
23 Alba Road
Wellesley Hills, Massachusetts 02481
Facsimile (c/o David Pedley): 502-214-3121
Email: frank@egcapitallp.com

With a required copy (which shall not constitute notice) to:

David M. Pedley, Esq.
Pedley & Millin, PLLC
3773 Cherry Creek North Drive, Suite 575
Denver, Colorado 80209
Facsimile: 502-214-3121
Email: dpedley@pedleymillin.com

If to the Purchaser, at the following address:

63 Second Ave
Burlington, Massachusetts 01803
Attn.: Legal Department
Facsimile: 781-425-5049
Email: legal@lemaitre.com

or at such other address for a party or as shall be specified by like notice. Any notice that is delivered personally in the manner provided herein shall be deemed to have been duly given to the person or entity to which it is directed upon actual receipt by such party (or its agent for notices hereunder). Any notice by facsimile transmission shall be deemed to have been duly given to the person or entity to which it is addressed upon transmission and confirmation of receipt. Any notice that is addressed as provided herein and mailed by registered or certified mail shall be conclusively presumed to have been duly given to the person or entity to which it is addressed at the close of business, local time of such party, on the third calendar day after the day it is so placed in the mail. Any notice that is

addressed as provided herein and sent by a nationally recognized overnight courier service shall be conclusively presumed to have been duly given to the person or entity to which it is addressed at the close of business, local time of such person or entity, on the next Business Day following its deposit with such courier service for next day delivery.

Section 7.9. Governing Law. This Agreement and the legal relations among the parties hereto shall be governed and construed in accordance with the substantive Laws of the Commonwealth of Massachusetts, without giving effect to the principles of conflict of laws thereof.

Section 7.10. Severability. If any provisions hereof shall be held by any court of competent jurisdiction to be illegal, void or unenforceable, such provisions shall be of no force and effect, but the illegality or unenforceability shall have no effect upon, and shall not impair the enforceability of, any other provision of this Agreement.

Section 7.11. Rights of Third Parties. Nothing expressed or implied in this Agreement is intended or will be construed to confer upon or give any person or entity other than the parties hereto and their respective successors and permitted assigns any rights or remedies under or by reason of this Agreement or any transaction contemplated hereby.

Section 7.12. Consent to Jurisdiction. Each party agrees that, in the event such party elects to initiate litigation against the other party, such party will file such litigation in the state or federal courts of Massachusetts. Each party hereby expressly and irrevocably waives any claim or defense in any action or proceeding brought in said jurisdictions based on any alleged lack of personal jurisdiction, improper venue, forum non conveniens or any similar basis.

Section 7.13. Certain Definitions and Interpretive Matters.

A. Certain Definitions. Unless the context otherwise requires, (i) the term "Affiliate" means, with respect to any person, a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, that other person, where "control" means, for purposes of the definition of "Affiliate", having direct or indirect power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise; (ii) the term "Business" means the manufacture, marketing, distribution and sale of the Products and the repair and servicing of the Products; (iii) "Business Day" means each day other than a Saturday, Sunday or a day upon which national banks in Boston, Massachusetts are closed for ordinary domestic banking business; (iv) "Disclosure Schedule" or "Schedules" means the Schedules attached hereto, which Schedules are incorporated herein and made a part hereof fully as if the same were herein set forth in their entirety; (v) each accounting term not otherwise defined in this Agreement has the meaning assigned to it in accordance with GAAP, and references to "GAAP" shall be to United States Generally Accepted Accounting Principles, consistently applied; (vi) the term "Governmental Entity" means any local,

county, state, district, provincial, national or other government and any agencies, departments or instrumentalities thereof, and specifically includes any judicial or administrative body or tribunal; (vii) the term "knowledge" means the actual knowledge of any of Frank Pinto, Keith Jansen and Carl Wisnosky after reasonable inquiry. (viii) the term "Laws" means any United States or non-United States national, state, county or local statute, law, ordinance, rule, regulation, order, judgment or ruling; (ix) "Legal Proceedings" means any claim, action, suit, arbitration or judicial, administrative, investigative or other proceeding, brought by, before or under the jurisdiction of any Governmental Entity, including without limitation, lawsuits brought by third parties; (x) "Material Adverse Effect" means any fact, circumstance, event, change or effect that is, or would reasonably be expected to be, materially adverse to the Assets or the financial condition or prospects of the Seller or the Business; and (xi) " or" is disjunctive but not necessarily exclusive.

B. Interpretive Matters. No provision of this Agreement will be interpreted in favor of, or against, any of the parties hereto by reason of the extent to which any such party or its counsel participated in the drafting thereof or by reason of the extent to which any such provision is inconsistent with any prior draft hereof or thereof.

IN WITNESS WHEREOF, the Purchaser and the Seller have caused this Agreement to be executed as a contract under seal by their duly authorized respective officers, all as of the date first written above.

PURCHASER: LEMAITRE VASCULAR, INC.

By: /s/ David B. Roberts
Name: David B. Roberts
Title: President

SELLER: INAVEIN, LLC

By: /s/ Keith Jansen
Name: Keith Jansen
Title: President & CEO

The exhibits and schedules attached to this Exhibit 2.1 have been omitted pursuant to Item 601(b)(2) of Regulation S-K. Copies of these schedules will be provided to the Securities and Exchange Commission upon request. A list of those exhibits and schedules appears below:

Exhibits:

Exhibit A - Officer's Certificate
Exhibit B - Bill of Sale and Assignment and Assumption Agreement
Exhibit C - Patent Assignment Agreement
Exhibit D - Trademark Assignment Agreement
Exhibit E - Non-competition Agreement
Exhibit F - Regulatory Letter
Exhibit G - Power of Attorney

Schedules:

1.2(A)(2)	Inventory
1.2(A)(10)	Other Business Assets
1.2(B)(13)	Other Excluded Assets
3.1	Service Agreements
2.3	Closing Documents
4.1(B)	Required Consents, Authorizations, Approvals, Registration Filings
4.1(C)	Financial Statements
4.1(E)(1)	Purchased Commitments and Excluded Commitments
4.1(E)(3)	Approvals
4.1(E)(4)	Business Commitments
4.1(F)	List of Assets
4.1(H)	Intellectual Property
4.1(J)	List of Countries where Product is Approved, Cleared or Registered for Sale
4.1(K)(1)	Employee Plans
4.1(K)(3)	List of Employees
4.1(L)	List of Suppliers
4.1(M)	Insurance Policies
4.1(O)	Inventory
4.1(P)	Customers
4.1(S)	Accounts Payable and Accounts Receivable

Exhibit 31.1

CERTIFICATION

I, George W. LeMaitre, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of LeMaitre Vascular, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ George W. LeMaitre

George W. LeMaitre
Chairman and Chief Executive Officer

Date: November 7, 2013

Exhibit 31.2

CERTIFICATION

I, Joseph P. Pellegrino, Jr., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of LeMaitre Vascular, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Joseph P. Pellegrino, Jr.

Joseph P. Pellegrino, Jr.
Chief Financial Officer

Date: November 7, 2013

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, (the " ***Exchange Act***"), and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350), George W. LeMaitre, Chairman and Chief Executive Officer of LeMaitre Vascular, Inc. (the "***Company***"), certifies to the best of his knowledge that:

(1) The Company's Quarterly Report on Form 10-Q for the period ended September 30, 2013 (the " ***Report***") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

This certification is being provided pursuant to 18 U.S.C. § 1350 and is not deemed to be a part of the Report, nor is it to deemed to be "filed" for any purpose whatsoever.

/s/ George W. LeMaitre

George W. LeMaitre
Chairman and Chief Executive Officer
November 7, 2013

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, (the " ***Exchange Act***"), and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350) **,** Joseph P. Pellegrino, Jr., Chief Financial Officer of LeMaitre Vascular, Inc. (the "***Company***"), certifies to the best of his knowledge that:

(1) The Company's Quarterly Report on Form 10-Q for the period ended September 30, 2013 (the " ***Report***") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

This certification is being provided pursuant to 18 U.S.C. § 1350 and is not deemed to be a part of the Report, nor is it to deemed to be "filed" for any purpose whatsoever.

/s/ Joseph P. Pellegrino, Jr.

Joseph P. Pellegrino, Jr.
Chief Financial Officer
November 7, 2013