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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 March 31, 2018

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, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth 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	☐
		Emerging growth 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 19,312,375 shares of common stock, $.01 par value per share, outstanding as of May 1, 2018.

LEMAITRE VASCULAR
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Part I. Financial Information

Item 1. Financial Statements

LeMaitre Vascular, Inc.
Consolidated Balance Sheets

	(unaudited) March 31, 2018	December 31, 2017
	(in thousands, except share data)	
Assets		
Current assets:		
Cash and cash equivalents	$ 22,781	$ 19,096
Short-term marketable securities	22,613	22,564
Accounts receivable, net of allowances of $483 at March 31, 2018, and $349 at December 31, 2017	14,510	15,000
Inventory and other deferred costs	21,833	21,046
Prepaid expenses and other current assets	2,271	2,605
Total current assets	84,008	80,311
Property and equipment, net	12,170	12,378
Goodwill	23,810	23,844
Other intangibles, net	7,806	8,234
Deferred tax assets	1,419	1,378
Other assets	197	178
Total assets	$ 129,410	$ 126,323
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 1,440	$ 1,543
Accrued expenses	9,118	9,770
Acquisition-related obligations	2,084	1,876
Total current liabilities	12,642	13,189
Deferred tax liabilities	2,177	2,176
Other long-term liabilities	1,121	1,188
Total liabilities	15,940	16,553
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 20,779,867 shares at March 31, 2018, and 20,745,041 shares at December 31, 2017	208	207
Additional paid-in capital	94,040	93,127
Retained earnings	30,836	28,333
Accumulated other comprehensive loss	(2,006)	(2,289)
Treasury stock, at cost; 1,480,101 shares at March 31, 2018 and 1,480,101 shares at December 31, 2017	(9,608)	(9,608)
Total stockholders' equity	113,470	109,770
Total liabilities and stockholders' equity	$ 129,410	$ 126,323

See accompanying notes to consolidated financial statements.

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

	Three months ended March 31,	
	2018	2017
	(in thousands, except per share data)	
Net sales	$ 25,994	$ 24,139
Cost of sales	7,520	6,786
Gross profit	18,474	17,353
Sales and marketing	7,090	6,954
General and administrative	4,697	4,548
Research and development	1,825	1,658
Total operating expenses	13,612	13,160
Income from operations	4,862	4,193
Other income (expense):		
Interest income	95	20
Foreign currency gain (loss)	(41)	26
Income before income taxes	4,916	4,239
Provision for income taxes	1,063	1,020
Net income	$ 3,853	$ 3,219
Earnings per share of common stock:		
Basic	$ 0.20	$ 0.17
Diluted	$ 0.19	$ 0.16
Weighted-average shares outstanding:		
Basic	19,283	18,631
Diluted	20,181	19,707
Cash dividends declared per common share	$ 0.070	$ 0.055

See accompanying notes to consolidated financial statements.

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

	Three months ended March 31,	
	2018	2017
	(in thousands)	
Net income	$ 3,853	$ 3,219
Other comprehensive income (loss):		
Foreign currency translation adjustment, net	328	620
Unrealized loss on short-term marketable securities	(45)	—
Total other comprehensive income	283	620
Comprehensive income	$ 4,136	$ 3,839

See accompanying notes to consolidated financial statements.

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

	For the three months ended March 31,	
	2018	2017
	(in thousands)	
Operating activities		
Net income	$ 3,853	$ 3,219
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,036	979
Stock-based compensation	621	487
Fair value adjustment to contingent consideration obligations	30	23
Provision for doubtful accounts	73	48
Provision for inventory write-downs	101	137
Foreign currency transaction loss	(6)	(51)
Changes in operating assets and liabilities:		
Accounts receivable	571	(858)
Inventory and other deferred costs	(808)	(1,102)
Prepaid expenses and other assets	360	(16)
Accounts payable and other liabilities	(2,080)	(390)
Net cash provided by operating activities	3,751	2,476
Investing activities		
Purchases of property and equipment and other assets	(427)	(1,691)
Purchases of short-term marketable securities	(94)	—
Net cash used in investing activities	(521)	(1,691)
Financing activities		
Payments of deferred acquisition consideration	(35)	(260)
Proceeds from issuance of common stock	292	819
Net cash provided by financing activities	257	559
Effect of exchange rate changes on cash and cash equivalents	198	178
Net increase in cash and cash equivalents	3,685	1,522
Cash and cash equivalents at beginning of period	19,096	24,288
Cash and cash equivalents at end of period	$ 22,781	$ 25,810
Supplemental disclosures of cash flow information (see Note 12)		

See accompanying notes to consolidated financial statements.

LeMaitre Vascular, Inc.
Notes to Consolidated Financial Statements
March 31, 2018
(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 also derive revenues from the processing and cryopreservation of human tissues for implantation into patients. We operate in a single segment in which our principal product lines include the following: anastomotic clips, angioscopes, balloon catheters, biologic vascular grafts, biologic vascular patches, carotid shunts, laparoscopic cholecystectomy devices (subsequently divested in Q2 2018), powered phlebectomy devices, radiopaque marking tape, remote endarterectomy devices, synthetic vascular grafts, and valvulotomes. Our offices are located in Burlington, Massachusetts; Fox River Grove, Illinois; Vaughan, Canada; Sulzbach, Germany; Milan, Italy; Madrid, Spain; North Melbourne, Australia; Tokyo, Japan; and Shanghai, China.

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 three months ended March 31, 2018 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, 2017, including the notes thereto, included in our Form 10-K filed with the Securities and Exchange Commission (SEC) on March 9, 2018.

Consolidation

Our consolidated financial statements include the accounts of LeMaitre Vascular and the accounts of our wholly-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

Recent Accounting Pronouncements

Revenue Recognition

Our revenue is derived primarily from the sale of disposable or implantable devices used during vascular surgery. We sell primarily directly to hospitals, and to a lesser extent to distributors. We also occasionally enter into consigned inventory arrangements with either hospitals or distributors on a limited basis. Following our acquisition of the RestoreFlow allograft business, we also derive revenues from human tissue cryopreservation services. These service revenues are recognized when services have been provided and the tissue has been shipped to the customer, provided all other revenue recognition criteria discussed below have been met.

On January 1, 2018 we adopted the provisions of ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. We used the modified retrospective method of adoption under which the comparative information was not restated and will continue to be reported under the standard in effect for those periods. The adoption of this standard was not material to our financial statements and there was no cumulative effect adjustment to the opening

balance of retained earnings required. The core principle of Topic 606 is that an entity should recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard explains that to achieve the core principle, an entity should take the following actions:

Step 1: Identify the contract with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price

Step 5: Recognize revenue when or as the entity satisfies a performance obligation

Revenue is recognized when or as a company satisfies a performance obligation by transferring a promised good or service to a customer (which is when the customer obtains control of that good or service).

We generally reference customer purchase orders to determine the existence of a contract. Orders that are not accompanied by a purchase order are confirmed with the customer either in writing or verbally. The purchase orders or similar correspondence, once accepted, identify the performance obligations as well as the transaction price, and otherwise outline the rights and obligations of each party. We allocate the transaction price of each contract among the performance obligations in accordance with the pricing of each item specified on the purchase order, which is in turn based on standalone selling prices per our published price lists. In cases where we discount products or provide certain items free of charge, we allocate the discount proportionately to all performance obligations, unless it can be demonstrated that the discount should be allocated entirely to one or more, but not all, of the performance obligations.

We recognize revenue, net of allowances for returns and discounts, fees paid to group purchasing organizations, and any sales and value added taxes required to be invoiced, which we have elected to exclude from the measurement of the transaction price as allowed by the standard, at the time of shipment (taking into consideration contractual shipping terms), or in the case of consigned inventory, when it is consumed. Shipment is the point at which control of the product and title passes to our customers, and at which LeMaitre has a present right to receive payment for the goods. Our shipping and handling activities generally occur prior to the customer taking control of the goods, but in instances where part of these services occurs after the customer gains control, we have made a policy election as allowed under the standard to account for them as activities to fulfill the promise to transfer the goods as opposed to a performance obligation.

Below is a disaggregation of our revenue by major geographic area, which is among the primary categorizations used by management in evaluating financial performance, for the periods indicated (in thousands):

	Three months ended March 31,	
	2018	2017
Americas	$ 15,860	$ 14,980
Europe, Middle East and Africa	8,755	7,614
Asia/Pacific Rim	1,379	1,545
Total	$ 25,994	$ 24,139

We do not carry any contract assets or contract liabilities, as there are generally no unbilled amounts due from customers under contracts for which we have partially satisfied performance obligations, or amounts received from customers for which we have not satisfied performance obligations. We satisfy our performance obligations under revenue contracts within a very short time period from receipt of the orders, and payments from customers are typically received within 30 to 60 days of fulfillment of the orders, except in certain geographies such as Spain and Italy where the payment cycle is customarily longer. Accordingly, there is no significant financing component to our revenue contracts. Additionally, we have elected as a policy that incremental costs (such as commissions) incurred to obtain contracts are expensed as incurred, due to the short-term nature of the contracts.

Customers returning products may be entitled to full or partial credit based on the condition and timing of the return. To be accepted, a returned product must be unopened (if sterile), unadulterated, and undamaged, must have at least 18 months remaining prior to its expiration date, or twelve months for our hospital customers in Europe, and generally be returned within 30 days of shipment. These return policies apply to sales to both hospitals and distributors. The amount of products returned to us, either for exchange or credit, has not been material. Nevertheless, we provide for an allowance for future sales returns based on historical return experience, which requires judgment. Our cost of replacing defective products has not been material and is accounted for at the time of replacement.

In February 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update (ASU) 2018-02, *Income Statement – Reporting Other Comprehensive Income (Topic 220*), which allows a reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the Tax Cuts and Jobs Act. Consequently, the amendments eliminate the stranded tax effects resulting from the Tax Cuts and Jobs Act and is expected to improve the usefulness of information reported to financial statement users. However, because the amendments only relate to the reclassification of the income tax effects of the Tax Cuts and Jobs Act, the underlying guidance that requires that the effect of a change in tax laws or rates be included in income from continuing operations is not affected. The amendments in this ASU also require certain disclosures about stranded tax effects. The new standard is effective for us beginning January 1, 2019, with early adoption permitted. The adoption of this standard is not expected to have a material impact on our financial statements.

In January 2017, the FASB issued ASU 2017-04, which, among other provisions, eliminates "step 2" from the goodwill impairment test. The annual, or interim, goodwill impairment test will be performed by comparing the fair value of a reporting unit with its carrying amount. An impairment charge should be recognized for the amount by which the carrying amount exceeds the reporting unit's fair value; however, the loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. The new standard is effective for us beginning January 1, 2020, with early adoption permitted. The adoption of this standard is not expected to have a material impact on our financial statements.

In February 2016, the FASB issued its new lease accounting guidance in ASU No. 2016-02, *Leases (Topic 842)*. Under the new guidance, lessees will be required to recognize the following for all leases (with the exception of short-term leases) at the commencement date: a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. The new lease guidance simplifies the accounting for sale and leaseback transactions primarily because lessees must recognize lease assets and lease liabilities. Lessees will no longer be provided with a source of off-balance sheet financing. The standard is effective for public companies for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years (i.e., January 1, 2019, for a calendar year entity). Early application is permitted. Entities must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The modified retrospective approach would not require any transition accounting for leases that expired before the earliest comparative period presented. Lessees and lessors may not apply a full retrospective transition approach. We do not expect the adoption of this standard to have a significant impact on our consolidated statement of operations. However, we expect that the recognition of right-of-use assets and corresponding lease liabilities will have a significant impact on our consolidated balance sheet, although our assessment is not complete.

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 more likely than not, 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 intention is to permanently reinvest these earnings.

The Tax Cut and Jobs Act of 2017 (the Tax Act) changed many aspects of U.S. corporate income taxation and included a reduction of the corporate income tax rate from 35% to 21%, implementation of a territorial tax system, and imposition of a tax on deemed repatriated earnings of foreign subsidiaries (the Transition Tax). We estimated the impact of the Tax Act in our financial statements as of December 31, 2017. We recorded $0.6 million in tax expense related to the Transition Tax and recognized $1.0 million in tax benefit related to the remeasurement of deferred taxes to the 21% tax rate. Later in 2018, we may identify adjustments to our estimated Transition Tax and/or deferred tax remeasurement while preparing the 2017 U.S. tax return, finalizing foreign earnings and profits calculations, or taking into account additional guidance issued by the IRS. Any such revisions will be treated in accordance with the measurement period guidance outlined in Staff Accounting Bulletin No. 118.

We recognize, measure, present and disclose in our financial statements any uncertain tax positions that we have taken, or expect to take on a tax return. We operate in multiple taxing jurisdictions, both within and without the United States, and may be subject to audits from various tax authorities. 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 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.

Our 2018 income tax expense varies from the statutory rate mainly due to the generation of federal and state tax credits, permanent items, and different statutory rates from our foreign subsidiaries. Additionally, in the first quarter of 2018, we recognized certain discrete items primarily related to the exercise of stock options. Our 2017 income tax expense varied from the statutory rate mainly due to federal and state tax credits, permanent items, different statutory rates from our foreign entities, and discrete stock option exercises.

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 March 31, 2018, the gross amount of unrecognized tax benefits exclusive of interest and penalties was $556,000. 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 2025. A reconciliation of beginning and ending amount of our unrecognized tax benefits is as follows:

	Three months ended March 31, 2018
	(in thousands)
Unrecognized tax benefits as of December 31, 2017	525
Additions for tax positions of current year	15
Additions for tax positions of prior years	16
Reductions for settlements with taxing authorities	—
Reductions for lapses of the applicable statutes of limitations	—
Unrecognized tax benefits as of March 31, 2018	556

As of March 31, 2018, a summary of the tax years that remain subject to examination in our taxing jurisdictions is as follows:

United States	2014 and forward
Foreign	2011 and forward

3. Inventories and Other Deferred Costs

Inventories and other deferred costs consist of the following:

	March 31, 2018	December 31, 2017
	(in thousands)	
Raw materials	$ 3,529	$ 3,200
Work-in-process	4,500	3,745
Finished products	12,468	12,278
Other deferred costs	1,336	1,823
Total inventory and other deferred costs	$ 21,833	$ 21,046

We had inventory on consignment of $1.3 million and $1.4 million at March 31, 2018 and December 31, 2017, respectively.

In connection with our 2016 acquisition of the RestoreFlow allograft business, other deferred costs include costs incurred for the preservation of human vascular tissues available for shipment, tissues currently in active processing, and tissues held in quarantine pending release to implantable status. By federal law, human tissues cannot be bought or sold. Therefore, the vascular tissues we preserve are not held as inventory, and the costs we incur to procure and process them are instead accumulated and deferred. These costs include fixed and variable overhead costs associated with the cryopreservation process, including primarily direct labor costs, tissue recovery fees, inbound freight charges, indirect materials and facilities costs. General and administrative expenses and selling expenses associated with the provision of these services are expensed as incurred.

4. Acquisitions and Divestitures

Acquisitions are accounted for using the acquisition method, and the acquired companies' results have been included in the accompanying consolidated financial statements from their respective dates of acquisition. In each case for the acquisitions disclosed below, pro forma information assuming the acquisition had occurred at the beginning of the earliest period presented is not included, as the impact is immaterial.

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 and services, consolidation of manufacturing facilities, and the leveraging of our existing administrative infrastructure.

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. Our assumptions associated with these Level 3 valuations are discussed below and in Note 13 to these financial statements.

RestoreFlow Allografts

On November 10, 2016, we entered into an agreement to acquire the assets of Restore Flow Allografts, LLC, a provider of human vascular tissue processing and cryopreservation services, for an initial purchase price of $12 million, with three additional payments of up to $2 million each ($6 million in total), depending upon the satisfaction of certain contingencies. One payment of $2 million is due not later than 15 days following the expiration of the 18 month period following the closing date, subject to reductions as specified in the agreement for each calendar month that certain retained employees are not employed by us due to resignation without good reason, or termination for cause, both as defined in the agreement. The portion of this payment that will be paid to retained employees and that is contingent on their continued employment, estimated at $0.9 million, is being accounted for as post-combination compensation expense rather than purchase consideration. The remaining $1.1 million that is payable to non-employee investors but that is also contingent on the continued employment of the retained

employees has been accounted for as contingent purchase consideration, at an acquisition-date fair value of $0.9 million. This valuation reflects management's assessment of the likelihood that the retained employees will remain employed by us, discounted at a rate of 6.1% to account for risk inherent in the probability estimate as well as for the time value of money between acquisition date and the payment date. This valuation is being re-measured each reporting period until the retention period ends, with any adjustments reported in income from operations. For the three months ended March 31, 2018 and 2017, the amount of the adjustments was not material.

There are also two potential earn-out payments under the agreement. The first earn-out was calculated at 50% of the amount by which net revenue in the first 12 months following the closing exceeded $6 million, with such payout not to exceed $2 million. This milestone was not met and accordingly no amount was paid out. The second earn-out is calculated at 50% of the amount by which net revenue in the second 12 months following the closing exceeds $9 million, with such payout not to exceed $2 million. These earn-outs were accounted for as contingent consideration, at an acquisition-date fair value of $0.1 million for the two earn-outs combined. This valuation was derived by utilizing an option pricing model technique incorporating, among other inputs, management's forecasts of future revenues, the expected volatility of revenues, and an estimated weighted average cost of capital of 14.1% to account for the risk of achievement of the revenue forecasts as well as the time value of money between acquisition date and the payment date.

The RestoreFlow business derives revenue from human tissue preservation services, in particular the processing and cryopreservation of veins and arteries. By federal law, human tissues cannot be bought or sold. Therefore, the tissues we obtain and preserve are not held as inventory, and the costs we incur to procure and process vascular tissues are instead accumulated and deferred. Revenues are recognized for the provision of cryopreservation services rather than product sales.

The acquired assets included intellectual property, permits and approvals, data and records, equipment and furnishings, accounts receivable, inventory, literature, and customer and supplier information. We also assumed certain accounts payable. We accounted for the acquisition as a business combination.

The following table summarizes the final purchase price allocation:

	Allocated Fair Value (in thousands)
Accounts receivable	$ 394
Deferred cryopreservation costs	2,583
Equipment and supplies	125
Accounts payable	(286)
Intangible assets	4,544
Goodwill	5,599
Purchase price	$ 12,959

The goodwill is deductible for tax purposes over 15 years.

The following table reflects the allocation of purchase consideration to the acquired intangible assets and related estimated useful lives:

	Allocated Fair Value (in thousands)	**Weighted Average Useful Life**
Non-compete agreements	$ 180	5.0 years
Tradename	271	9.0 years
Procurement contracts	617	9.0 years
Technology	2,793	10.5 years
Customer relationships	683	12.5 years
Total intangible assets	$ 4,544	

The weighted-average amortization period of the acquired intangible assets was 10.3 years.

ProCol Biologic Graft

On March 18, 2016, we acquired the ProCol biologic vascular graft ("ProCol") business for $2.7 million from Hancock Jaffe Laboratories, Inc. (HJL) and CryoLife, Inc. (CRY). HJL was the owner and manufacturer of ProCol and CRY was the exclusive distributor of the ProCol graft. CRY also owned an option to purchase the ProCol business, which we acquired from CRY. We bought finished goods inventory and other ProCol related assets from CRY for $2.0 million, which was paid in full at closing. We bought other ProCol assets from HJL for $0.7 million, 50% of which was paid at closing, 25% of which was paid in the quarter ended September 30, 2016 and the remainder of which was paid in the quarter ended March 31, 2017. Additional consideration is payable to HJL for a three-year period following the closing, calculated at 10% of ProCol revenues. This additional consideration was initially valued at $0.3 million and is being re-measured each reporting period until the payment requirement ends, with any adjustments reported in income from operations. To date since the acquisition there have been no material adjustments.

Assets acquired included inventory, intellectual property and a related license, the ProCol trade name, customer lists, non-compete agreements and certain equipment and supplies. We did not assume any liabilities. We accounted for the acquisition as a business combination. The purchase accounting is complete.

The following table summarizes the purchase price allocation as of the acquisition date:

	Allocated Fair Value (in thousands)
Inventory	$ 2,080
Manufacturing equipment and supplies	25
Intangible assets	620
Goodwill	318
Purchase price	$ 3,043

The goodwill is deductible for tax purposes over 15 years.

The following table reflects the allocation of purchase consideration to the acquired intangible assets and related estimated useful lives:

	Allocated Fair Value (in thousands)	Weighted Average Useful Life
Non-compete agreement	$ 84	5.0 years
Tradename	109	9.5 years
Intellectual property	277	9.0 years
Customer relationships	150	9.0 years
Total intangible assets	$ 620	

The weighted-average amortization period of the acquired intangible assets was 8.6 years.

Tru-Incise Valvulotome

In May 2015, we entered into an asset purchase agreement with UreSil, LLC (UreSil) to acquire the production and distribution rights of UreSil's Tru-Incise valvulotome for sales outside the United States for a purchase price of approximately $1.4 million. We paid $1.1 million at the closing with the remaining $0.3 million paid at various dates in 2016 and 2017. We accounted for the acquisition as a business combination. Assets acquired included inventory and intellectual property. We did not assume any liabilities. The purchase accounting is complete.

The following table summarizes the purchase price allocation at the date of the acquisition:

	Allocated Fair Value (in thousands)
Inventory	$ 88
Intangible assets	545
Goodwill	742
Purchase price	$ 1,375

The goodwill is deductible for tax purposes over 15 years.

The following table reflects the allocation of purchase consideration to the acquired intangible assets and related estimated useful lives:

	Allocated Fair Value (in thousands)	Weighted Average Useful Life
Non-compete agreement	$ 120	5.0 years
Tradename license	17	3.0 years
Technology	391	7.0 years
Customer relationships	17	3.0 years
Total intangible assets	$ 545	

Subsequent Event – Reddick Divestiture

On April 5, 2018, we entered into an asset purchase agreement with Specialty Surgical Instrumentation, Inc. to sell the inventory, intellectual property and other assets associated exclusively with our Reddick cholangiogram catheter and Reddick Saye-Screw product lines for $7.4 million. In connection with this divestiture we contemporaneously entered into a transition services agreement under which we will continue to manufacture and supply these products to the buyer for a period of up to two years unless extended by both parties, as well as a balloon supply agreement under which we will supply latex balloons, a component of the cholangiogram catheters, to the buyer for a period of up six years unless extended by both parties. During the three months ending June 30, 2018 we expect to record a gain in connection with these agreements of $5.5 million to $6.0 million.

5. Goodwill and Other Intangibles

Goodwill consists of the following as of March 31, 2018:

	(in thousands)
Balance at December 31, 2017	$ 23,844
Effects of currency exchange	(34)
Balance at March 31, 2018	$ 23,810

Other intangible assets consist of the following:

	March 31, 2018			December 31, 2017		
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
	(in thousands)					
Product technology	$10,245	$ 5,106	$ 5,139	$10,267	$ 4,908	$ 5,359
Trademarks and licenses	1,947	1,491	456	1,948	1,468	480
Customer relationships	5,391	3,456	1,935	5,383	3,299	2,084
Other intangible assets	1,574	1,298	276	1,575	1,264	311
Total identifiable intangible assets	$19,157	$ 11,351	$ 7,806	$19,173	$ 10,939	$ 8,234

These intangible assets are being amortized over their useful lives ranging from 3 to 13 years. The weighted-average amortization period for these intangibles as of March 31, 2018 is 8.0 years. Amortization expense was $0.4 million and $0.5 million for the three months ended March 31, 2018 and 2017, respectively, and is included in general and administrative expense. We estimate that amortization expense for the remainder of 2018 and for each of the five succeeding fiscal years will be as follows:

	Year ended December 31,					
	2018	2019	2020	2021	2022	2023
	(in thousands)					
Amortization expense	$1,202	$1,389	$1,129	$901	$713	$680

6. Accrued Expenses and Other Long-term Liabilities

Accrued expenses consist of the following:

	March 31, 2018	December 31, 2017
	(in thousands)	
Compensation and related taxes	$ 3,951	$ 6,494
Aquisition-related liabilities		
Income and other taxes	414	703
Professional fees	323	35
Dividend payable	1,351	—
Other	3,079	2,538
Total	$ 9,118	$ 9,770

Other long-term liabilities consist of the following:

	March 31, 2018	December 31, 2017
	(in thousands)	
Aquisition-related liabilities	$ 36	$ 127
Deferred rent	554	561
Income taxes	340	321
Other	191	179
Total	$ 1,121	$ 1,188

7. Segment and Enterprise-Wide Disclosures

Under Accounting Standards Codification Topic 280, *Segment Reporting*, operating segments are defined as components of an enterprise for which separate, discrete financial information is available and evaluated 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 sales by product line and by legal entity for local reporting purposes.

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

	Three months ended March 31,	
	2018	2017
	(in thousands)	
United States	$14,820	$14,047
Germany	3,106	2,865
Other countries	8,068	7,227
Net Sales	$25,994	$24,139

9. Share-based Compensation

Our Third Amended and Restated 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 March 31,	
	2018	2017
	(in thousands)	
Stock option awards	$ 389	$ 314
Restricted stock units	232	173
Total share-based compensation	$ 621	$ 487

Stock-based compensation is included in our statements of operations as follows:

	Three months ended March 31,	
	2018	2017
	(in thousands)	
Cost of sales	$ 64	$ 53
Sales and marketing	138	116
General and administrative	351	274
Research and development	68	44
Total stock-based compensation	$ 621	$ 487

We did not grant any options during the three months ended March 31, 2018. Option grants during the three months ended March 31, 2017 were not material. We did not issue awards of restricted stock during the three months ended March 31, 2018 or 2017.

We issued approximately 35,000 and 115,000 shares of common stock following the exercise or vesting of underlying stock options or restricted stock units in the three months ended March 31, 2018 and 2017, respectively.

10. Net Income per Share

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

	Three months ended March 31,	
	2018	2017
	(in thousands, except per share data)	
Basic:		
Net income available for common stockholders	$ 3,853	$ 3,219
Weighted average shares outstanding	19,283	18,631
Basic earnings per share	$ 0.20	$ 0.17
Diluted:		
Net income available for common stockholders	$ 3,853	$ 3,219
Weighted-average shares outstanding	19,283	18,631
Common stock equivalents, if dilutive	898	1,076
Shares used in computing diluted earnings per common share	20,181	19,707
Diluted earnings per share	$ 0.19	$ 0.16
Shares excluded in computing diluted earnings per share as those shares would be anti-dilutive	218	1

11. Stockholders' Equity

Share Repurchase Program

On July 25, 2017, our Board of Directors approved a stock repurchase program under which the Company is authorized to repurchase up to $7.5 million of its common stock through transactions on the open market, in privately negotiated purchases or otherwise. This program may be suspended or discontinued at any time, and expires on the earlier of July 25, 2018 or when the authorized aggregate $7.5 million repurchase limit is reached, unless extended by our Board of Directors. We have not made any share repurchases under this program.

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 2018			
March 22, 2018	April 5, 2018	$ 0.070	$ 1,351
Fiscal Year 2017			
March 22, 2017	April 6, 2017	$ 0.055	$ 1,029
May 24, 2017	June 8, 2017	$ 0.055	$ 1,036
August 23, 2017	September 6, 2017	$ 0.055	$ 1,055
November 22, 2017	December 7, 2017	$ 0.055	$ 1,060

On April 23, 2018 our Board of Directors approved a quarterly cash dividend on our common stock of $0.07 per share payable on June 7, 2018 to stockholders of record at the close of business on May 22, 2018, which will total approximately $1.4 million.

12. Supplemental Cash Flow Information

	Three months ended March 31,	
	2018	2017
	(in thousands)	
Cash paid for income taxes, net	$ 1,562	$ 275

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.

Level 1 assets being measured at fair value on a recurring basis as of March 31, 2018 included our short-term investment mutual fund account.

We had no Level 2 assets being measured at fair value on a recurring basis as of March 31, 2018.

As discussed in Note 4, several of our acquisition-related assets and liabilities have been measured using Level 3 techniques. During 2016, we recorded contingent liabilities associated with our acquisitions of the RestoreFlow allograft and ProCol biologic graft businesses. In the case of the Restore Flow allograft acquisition, the agreement included the potential for us to pay up to $5.1 million of additional consideration, with $1.1 million contingent on the continued employment by LeMaitre of certain retained employees, and another $4.0 million contingent on the achievement of specified levels of revenues in the first 12 and 24 months following the acquisition date. This additional consideration was initially valued in total at $1.0 million and is being re-measured each reporting period until the payment requirement ends, with any adjustments reported in income from operations. The amount attributable to the first 12 months of revenue following the acquisition date was not paid as the associated revenue metric was not achieved. In the case of ProCol, additional consideration is payable to the former shareholders for a three-year period following the closing, calculated at 10% of ProCol revenues. This additional consideration was initially valued at $0.3 million and is being re-measured each reporting period until the payment requirement ends, with any adjustments reported in income from operations. These arrangements are described more fully in Note 4. The following table provides a rollforward of the fair value of these liabilities, as determined by Level 3 unobservable inputs including management’s forecast of future revenues for these acquired businesses, as well as, in the case of the Restore Flow allograft acquisition, management’s estimate of the likelihood of continued employment of certain retained employees.

	Three months ended March 31, 2018	2017
	(in thousands)	
Beginning balance	$ 1,300	$ 1,320
Additions	—	—
Payments	(35)	(23)
Change in fair value included in earnings	30	23
Ending balance	$ 1,295	$ 1,320

14. Accumulated Other Comprehensive Loss

	Three months ended March 31, 2018	2017
	(in thousands)	
Beginning balance	$(2,289)	$(4,583)
Other comprehensive income (loss) before reclassifications	283	620
Amounts reclassified from accumulated other comprehensive loss	—	—
Ending Balance	$(2,006)	$(3,963)

Changes to our accumulated other comprehensive loss consisted primarily of foreign currency translation for the three months ended March 31, 2018 and 2017.

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 risks and uncertainties include, but are not limited to: the risk of significant fluctuations in our quarterly and annual results due to numerous factors; the risk that we may not be able to maintain our recent levels of profitability; 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 and pricing; the risk that a recall of our products could result in significant costs or negative publicity; 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, 2017, as filed with the SEC on March 9, 2018. 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 indicates 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, AnastoClip, Omniflow, ProCol, RestoreFlow and XenoSure are registered trademarks of LeMaitre Vascular or one of its subsidiaries. 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. We also provide processing and cryopreservation services of human tissue for implantation into patients. Our principal product offerings are sold throughout the world, primarily in North America, Europe and, to a lesser extent, Asia and the Pacific Rim. We estimate that the annual worldwide market for all peripheral vascular devices exceeds $5 billion, within which our core product lines address roughly $870 million. We have grown our business by using a three-pronged strategy: 1) pursuing a focused call point, 2) competing for sales of low-rivalry niche products, and 3) expanding our worldwide direct sales force while 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 continued our efforts to expand our vascular device offerings through research and development. We currently manufacture most of our product lines at our Burlington, Massachusetts headquarters.

Our products are used primarily 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: anastomotic clips, angioscopes, balloon catheters, biologic vascular grafts, biologic vascular patches, carotid shunts, laparoscopic cholecystectomy devices (subsequently divested in Q2 2018), powered phlebectomy devices, radiopaque marking tape, remote endarterectomy devices, synthetic vascular grafts, and valvulotomes. With the November 10, 2016 acquisition of the RestoreFlow allografts business, we also provide services related to the processing and cryopreservation of human vascular tissue.

Our biologic devices, which include vascular patches and vascular grafts (including allografts, ovine grafts and bovine grafts), have become a larger proportion of our total sales over time, and in the current quarter represented 36% of worldwide sales. We generally view the biologic device segment favorably, as we believe it contains differentiated and growing product segments.

To assist us in evaluating our business strategies, we regularly monitor long-term technology trends in the peripheral vascular device market. Additionally, we consider the information obtained from discussions with the medical community in connection with the demand for our products, including potential new product launches. We also use this information to help determine our competitive position in the peripheral vascular device market and our manufacturing capacity requirements.

Our business opportunities include the following:

- the long-term growth of our direct sales force in North America, Europe, Asia and the Pacific Rim;
- 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 territories upon receipt of regulatory approvals or registrations in these territories; and
- the consolidation of, and automation of, product manufacturing at our facilities in our Burlington, Massachusetts corporate headquarters.

We sell our products and services primarily through a direct sales force. As of March 31, 2018 our sales force was comprised of 94 sales representatives in North America, Europe, Japan, China and Australia. We also sell our products in other countries through distributors. Our worldwide headquarters is located in Burlington, Massachusetts. Our European operations are headquartered in Sulzbach, Germany. We also have sales offices located in Tokyo, Japan; Vaughan, Canada; Madrid, Spain; Milan, Italy; Shanghai, China; and North Melbourne, Australia, and we have a processing facility in Fox River Grove, Illinois and a manufacturing facility in North Melbourne, Australia. During the three months ended March 31, 2018 and 2017, approximately 95% and 93%, respectively, of our net sales were generated in territories in which we employ direct sales representatives.

Historically we have experienced success in lower-rivalry niche product segments, for example the markets for biologic vascular patches and valvulotome devices. In the biologic vascular patch market the number of competitors is limited, and we believe that we have been able to increase market share and increase selling prices, mainly due to the strength of our sales force. In the valvulotome market, we have been able to increase our selling prices while maintaining our unit market share. In contrast, we have experienced less success in highly competitive markets such as synthetic grafts, where we face stronger competition from larger companies with greater resources and lower production costs. While we believe that these challenging market dynamics can be mitigated by our relationships with vascular surgeons, there can be no assurance that we will be successful in these highly competitive markets.

In recent years we have also experienced success in international markets, such as Europe, where we sometimes offer comparatively lower average selling prices. If we continue to seek growth opportunities outside of North America, we may experience downward pressure on our gross margin.

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:

- During 2015, we entered into definitive agreements with seven former UreSil, LLC distributors in Europe in order to terminate their distribution of our Tru-Incise valvulotome and we began selling direct-to-hospital in those geographies. The termination fees totaled approximately $0.2 million
- In August 2015, we entered into a definitive agreement with Grex Medical Oy (Grex), our distributor in Finland, in order to terminate their distribution of our products and we began selling direct-to-hospital in Finland as of January 1, 2016. The termination fee was approximately $0.2 million.
- In December 2015, we signed a master distribution agreement with Meheco Yonstron Pharmaceutical Co. Ltd., a Chinese distribution and logistics company, and began selling our Chinese market products to Meheco in 2016. Meheco then sold our products to multiple sub-distributors who then sold to Chinese hospitals. This agreement expired in December 2017, and we are currently in the process of signing distribution agreements with sub-distributors and have begun selling our products directly to sub-distributors in China.
- In March 2018 we terminated our master distribution agreement with Sinopharm United Medical Device Co., Ltd. under which we sold our powered phlebectomy device and related disposable devices to them for distribution in China. In April 2018 we began selling these products directly to sub-distributors in China.

We anticipate that the expansion of our sales organization in China will result in increased sales, marketing and regulatory expenses during 2018. As of March 31, 2018 we had seven employees in China.

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 May 2015, we acquired the production and distribution rights of UreSil LLC’s Tru-Incise valvulotome for sales outside of the United States for $1.4 million.
- In March 2016, we acquired substantially all of the assets as well as the production and distribution rights of the ProCol business from Hancock Jaffe Laboratories and CryoLife, Inc. for $2.7 million plus 10% of net sales for three years following the closing. ProCol is a biologic vascular graft used for dialysis access and is approved for sale in the United States.
- In November 2016, we acquired substantially all of the assets related to the peripheral vascular allograft operations of Restore Flow Allografts, LLC for $12.0 million plus additional payments of up to $4.0 million as of March 31, 2018 depending upon the satisfaction of certain contingencies.
- In April 2018, we sold our Reddick cholangiogram catheter and Reddick Saye-Screw product lines to Specialty Surgical Instrumentation, Inc. for $7.4 million.

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

- In October 2016, we launched additional sizes of our XenoSure patch.
- In December 2016, we launched the 7.0mm diameter size Omniflow graft.
- In October 2017, we launched XenoSure biologic pledgets.
- In April 2018, we expanded the indications for our Anastoclip GC in the United States to include dura tissue repair.

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

- In May 2015, we initiated a project to transfer the manufacturing of the newly acquired Tru-Incise valvulotome product line to our Burlington facility. The manufacturing transition was completed in 2017.

- In March 2016, we initiated a project to transfer the manufacturing of the newly acquired ProCol biologic product line to our Burlington facility. This transition was completed in 2018.
- In 2017 we completed the renovation of a portion of our manufacturing facility in Burlington, in which we expect most of our biologic offerings, including the XenoSure patch as well as certain biologic grafts, to be produced or processed. The cost of the facility renovation was approximately $3.0 million.

Our execution of these business opportunities 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 process engineering and other charges, as well as longer term impacts to revenues and operating expenditures.

For the three months ended March 31, 2018, approximately 43% of our sales were to customers located outside the United States. Fluctuations in the rate of exchange between the U.S. dollar and foreign currencies, primarily the Euro, affect our financial results. Selling, marketing, and administrative costs related to these sales are largely denominated in the local currency, thereby partially mitigating our exposure to exchange rate fluctuations. However, as most of our foreign sales are denominated in local currency, 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. In such cases we will record less revenue in U.S. dollars than we did prior to the rate increase. For the three months ended March 31, 2018, the effects of changes in foreign exchange rates increased our reported sales by approximately $1.2 million as compared to the rates in effect in the year-earlier period.

Net Sales and Expense Components

The following is a description of the primary components of our net sales and expenses:

Net sales. We derive our net sales from the sale of our products and services, less discounts and returns. Net sales include the shipping and handling fees paid for by our customers. Most of our sales are generated by our direct sales force and are shipped and billed to hospitals or clinics throughout the world. In countries where we do not have a direct sales force, sales are primarily to distributors, who in turn sell to hospitals and clinics. In certain cases our products are held on consignment at a hospital or clinic prior to purchase; in those instances we recognize revenue at the time the product is used in surgery rather than at shipment.

Cost of sales. We manufacture the majority of the products that we sell. Our cost of sales consists primarily of manufacturing personnel, raw materials and components, depreciation of property and equipment, and other allocated manufacturing overhead, as well as freight expense we pay to ship products to customers.

Sales and marketing. Our sales and marketing expense consists primarily of salaries, commissions, stock based compensation, travel and entertainment, attendance at vascular congresses, training programs, advertising and product promotions, direct mail and other marketing costs.

General and administrative. General and administrative expense consists primarily of executive, finance and human resource salaries, stock based compensation, legal and accounting fees, information technology expense, intangible asset amortization expense and insurance expense.

Research and development. Research and development expense includes costs associated with the design, development, testing, enhancement and regulatory approval of our products, principally salaries, laboratory testing and supply costs. It also includes costs associated with design and execution of clinical studies, regulatory submissions and costs to register, maintain, and defend our intellectual property, and royalty payments associated with licensed and acquired intellectual property.

Other income (expense). Other income (expense) primarily includes interest income and expense, foreign currency gains (losses), and other miscellaneous gains (losses).

Income tax expense. We are subject to federal and state income taxes for earnings generated in the United States, which include operating losses in certain foreign jurisdictions for certain years depending on tax elections made, and foreign taxes on earnings of our wholly-owned foreign subsidiaries. Our consolidated tax expense is affected by the mix of our taxable income (loss) in the United States and foreign subsidiaries, permanent items, discrete items, unrecognized tax benefits, and amortization of goodwill for U.S tax reporting purposes.

Results of Operations

Comparison of the three months ended March 31, 2018 to the three months ended March 31, 2017:

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

	Three months ended March 31,		
(unaudited)	2018	2017	Percent change
	($ in thousands)		
Net sales	$25,994	$24,139	8%
Net sales by geography:			
Americas	$15,860	$14,980	6%
Europe, Middle East and Africa	$ 8,755	$ 7,614	15%
Asia/Pacific Rim	1,379	1,545	(11%)
Total	$25,994	$24,139	8%

Net sales. Net sales increased $1.9 million or 8% to $26.0 million for the three months ended March 31, 2018, compared to $24.1 million for the three months ended March 31, 2017. The sales increase for the three months ended March 31, 2018 occurred across multiple product lines including our biologic vascular patches which increased by $0.6 million, allografts $0.6 million, valvulotomes $0.5 million, shunts $0.3 million and Omniflow II biologic grafts $0.2 million. Partly offsetting these increases were sales declines of powered phlebectomy systems of $0.4 million, and anastomotic clips of $0.2 million.

Direct-to-hospital net sales were 95% and 93% of our total net sales for the three months ended March 31, 2018 and 2017, respectively.

Net sales by geography. Net sales in the Americas increased $0.9 million or 6% for the three months ended March 31, 2018. The increase was primarily driven by increased revenues from our allograft cryopreservation services and valvulotomes.

Europe, Middle East and Africa (or EMEA) net sales increased $1.1 million, or 15% for the three months ended March 31, 2018. The increase was primarily driven by the favorable effect of foreign exchange rate changes versus the comparative period.

Asia/Pacific Rim net sales decreased $0.2 million, or 11% for the three months ended March 31, 2018. The decrease was primarily driven by decreased sales of our powered phlebectomy systems of $0.4 million in China. This decrease was partly offset by higher sales in Japan of catheters, shunts and valvulotomes.

The following table sets forth the change in our gross profit and gross margin for the periods indicated:

(unaudited)	Three months ended March 31,			
	2018	2017	Change	Percent change
	($ in thousands)			
Gross profit	$18,474	$17,353	$1,121	6%
Gross margin	71.1%	71.9%	(0.8%)	*

* Not applicable

Gross Profit. Gross profit increased $1.1 million to $18.5 million for the three months ended March 31, 2018, while gross margin decreased 80 basis points to 71.1% in the period. The gross profit dollar increase was a result of higher sales. The gross margin decrease was largely driven by higher manufacturing costs of certain of our products, increased scrap costs for defective materials, and increased allograft revenues which have a lower gross margin. These effects were partially offset by higher average selling prices across most product lines, the favorable impact of foreign exchange rate changes and lower sales in China, where we typically realize lower gross margins than in the United States.

Operating Expenses

The following tables set forth changes in our operating expenses for the periods indicated and the change between the specified periods expressed as a percentage increase or decrease:

(unaudited)	Three months ended March 31,			
	2018	2017	$ Change	Percent change
Sales and marketing	$ 7,090	$ 6,954	$ 136	2%
General and administrative	4,697	4,548	149	3%
Research and development	1,825	1,658	167	10%
Total	$13,612	$13,160	$ 452	3%

	Three months ended March 31,		
	2018 % of Net Sales	2017 % of Net Sales	Change
Sales and marketing	27%	29%	(2%)
General and administrative	18%	19%	(1%)
Research and development	7%	7%	0%

Sales and marketing. For the three months ended March 31, 2018, sales and marketing expense increased 2% to $7.1 million. The increase was driven mainly by increased spending in 2018 on our annual sales meeting which occurs in January, as well as severance costs. These increases were partly offset by lower compensation-related costs and travel due to fewer sales personnel in the 2018 period. As a percentage of net sales, sales and marketing expense was 27% in the three months ended March 31, 2018.

General and administrative. For the three months ended March 31, 2018, general and administrative expense increased 3% to $4.7 million. The general and administrative expense increases were driven by compensation costs, professional fees and bad debt expense, which were partly offset by lower acquisition-related charges. As a percentage of net sales, general and administrative expense was 18% for the three months ended March 31, 2018.

Research and development. For the three months ended March 31, 2018, research and development expense increased 10% to $1.8 million. The increase was primarily related to costs for regulatory submissions for our products in China and Japan, as well as animal testing related to our biologic product offerings. As a percentage of net sales, research and development expense was 7% for the three months ended March 31, 2018.

***Income tax expense*.** We recorded a tax provision of $1.1 million on pre-tax income of $4.9 million for the three months ended March 31, 2018, compared to a $1.0 million tax provision on pre-tax income of $4.2 million for the three months ended March 31, 2017. Our effective income tax rate was 21.6% for the three month period ended March 31, 2018. Our tax expense for the current period is based on an estimated annual effective tax rate of 24.6%, adjusted in the applicable quarterly periods for discrete stock option exercises and other discrete items. Our income tax expense for the current period varies from the statutory rate mainly due to federal and state tax credits, permanent items, different statutory rates from our foreign entities, and a discrete item for stock option exercises.

Our effective income tax rate was 24.1% for the three month period ended March 31, 2017. Our 2017 provision was based on the estimated annual effective tax rate of 36.0%, adjusted in the applicable quarterly period for discrete stock option exercises and other discrete items. Our income tax expense for 2017 varied from the statutory rate mainly due to federal and state tax credits, permanent items, lower statutory rates from our foreign entities, and a discrete item for stock option exercises.

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 assess the likelihood that our deferred tax assets will be realized through future taxable income and record a valuation allowance to reduce gross deferred tax assets to an amount we believe is more likely than not to be realized. As of March 31, 2018, we have provided a valuation allowance of $2.0 million for deferred tax assets primarily related to Australian net operating loss and capital loss carry forwards and Massachusetts tax credit carry forwards that are not expected to be realized.

Liquidity and Capital Resources

At March 31, 2018, our cash and cash equivalents were $22.8 million as compared to $19.1 million at December 31, 2017. We also had $22.6 million in a short-term managed income mutual fund investment as of both March 31, 2018 and December 31, 2017. Our cash and cash equivalents are highly liquid investments with maturities of 90 days or less at the date of purchase, and consist primarily of operating bank accounts. Our short-term marketable securities consist of a managed income mutual fund investing mainly in short-term investment grade, U.S.-dollar denominated fixed and floating-rate debt. All of our cash held outside of the United States is available for corporate use, with the exception of $9.5 million held by subsidiaries in jurisdictions for which earnings are planned to be permanently reinvested.

On July 25, 2017, our Board of Directors approved a stock repurchase program under which the Company is authorized to repurchase up to $7.5 million of its common stock through transactions on the open market, in privately negotiated purchases or otherwise. This program may be suspended or discontinued at any time, and expires on the earlier of July 25, 2018 or when the authorized aggregate $7.5 million repurchase limit is reached, unless extended by our Board of Directors. To date, we have not made any repurchases under this program.

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 offerings and private placements of equity securities, short-term borrowings, and funds generated from our operations.

We recognized operating income of $4.9 million for the three months ended March 31, 2018. For the year ended December 31, 2017, we had operating income of $21.1 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 and services;
- payments associated with potential future quarterly cash dividends to our common stockholders;
- future acquisition-related payments;
- payments associated with income and other taxes;
- the costs associated with expanding our manufacturing, marketing, sales, and distribution efforts;
- the costs associated with our initiatives to sell direct-to-hospital in new countries;
- the costs of obtaining and maintaining FDA and other regulatory clearances of our existing and future products;
- the number, timing, and nature of acquisitions, divestitures and other strategic transactions, and
- potential future share repurchases.

Our cash balances may decrease as we continue to use cash to fund our operations, make acquisitions, make payments under our quarterly dividend program, make share repurchases and make deferred payments related to prior acquisitions. We believe that our cash, cash equivalents, investments 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.

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 2018			
March 22, 2018	April 5, 2018	$ 0.070	$ 1,351
Fiscal Year 2017			
March 22, 2017	April 6, 2017	$ 0.055	$ 1,029
May 24, 2017	June 8, 2017	$ 0.055	$ 1,036
August 23, 2017	September 6, 2017	$ 0.055	$ 1,055
November 22, 2017	December 7, 2017	$ 0.055	$ 1,060

On April 23, 2018 our Board of Directors approved a quarterly cash dividend on our common stock of $0.07 per share payable on June 7, 2018 to stockholders of record at the close of business on May 22, 2018, which will total approximately $1.4 million.

Cash Flows

	Three months ended March 31, (in thousands)		
	2018	2017	Net Change
Cash and cash equivalents	$22,781	$25,810	$ (3,029)
Cash flows provided by (used in):			
Operating activities	$ 3,751	$ 2,476	$ 1,275
Investing activities	(521)	(1,691)	1,170
Financing activities	257	559	(302)

Net cash provided by operating activities. Net cash provided by operating activities was $3.8 million for the three months ended March 31, 2018, consisting of $3.9 million in net income adjusted for non-cash items of $1.9 million (including depreciation and amortization of $1.0 million, stock-based compensation of $0.6 million, and provisions for inventory write-offs and doubtful accounts of $0.2 million) and offset by changes in working capital of $1.9 million. The net cash used for working capital was driven by decreases in accounts payable and accrued expenses of $2.1 million and an increase in inventory and other deferred costs of $0.8 million, partly offset by decreases in accounts receivable of $0.6 million and prepaid expenses and other assets of $0.4 million.

Net cash provided by operating activities was $2.5 million for the three months ended March 31, 2017, consisting of $3.2 million in net income adjusted for non-cash items of $1.6 million (including depreciation and amortization of $1.0 million, stock-based compensation of $0.5 million, and provisions for inventory write-offs and doubtful accounts of $0.2 million) and offset by changes in working capital of $2.3 million. The net cash used for working capital was driven by increases in accounts receivable of $0.9 million and inventory of $1.1 million, as well as decreases in accounts payable and other liabilities of $0.4 million.

Net cash used in investing activities. Net cash used in investing activities was $0.5 million for three months ended March 31, 2018. This was primarily driven by expenditures on equipment and website technology improvements of $0.4 million as well as purchases of marketable securities of $0.1 million.

Net cash used in investing activities was $1.7 million for three months ended March 31, 2017. This was primarily driven by expenditures on leasehold improvements and equipment associated with the expansion of our Burlington, Massachusetts manufacturing operations.

Net cash provided by (used in) financing activities. Net cash provided by financing activities was $0.3 million for the three months ended March 31, 2018, consisting primarily of proceeds from stock option exercises.

Net cash provided by financing activities was $0.6 million for the three months ended March 31, 2017, consisting of proceeds from stock option exercises of $0.8 million, which were offset by payments related to prior acquisitions.

Contractual obligations. Our principal contractual obligations consist of operating leases and inventory purchase commitments, and have not changed significantly since December 31, 2017 as reported in our Annual Report on Form 10-K.

Off-Balance Sheet Arrangements

We did not have any off-balance sheet arrangements as of March 31, 2018. 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, 2017. With the exception of the adoption, effective January 1, 2018, of Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)* discussed in Note 1 to this Quarterly Report on Form 10-Q, there have been no material changes in our critical accounting policies during the three months ended March 31, 2018. 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 sales returns and discounts, share-based compensation, inventories, intangible assets, bad debts, and income taxes are reviewed on an ongoing basis and updated as appropriate. Actual results may differ from those estimates.

Recent Accounting Pronouncements

A summary of recent accounting pronouncements that may impact our financial statements upon adoption in future periods can be found in Note 1 to our financial statements included under Part 1, Item 1 of this Quarterly Report on Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

In the ordinary course of conducting business, we are exposed to certain risks associated with potential changes in market conditions. These market risks include changes in currency exchange rates and interest rates which could affect operating results, financial position and cash flows. We manage our exposure to these market risks through our regular operating and financing activities and, if considered appropriate, we may enter into derivative financial instruments such as forward currency exchange contracts, although we have not done so in 2018 or in recent years. There have been no material changes in our quantitative and qualitative market risks since the disclosure in our Annual Report on Form 10-K for the year ended December 31, 2017.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation and supervision of our Chief Executive Officer and Chief Financial Officer, is responsible for our disclosure controls and procedures pursuant to Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified under SEC rules and forms. Disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to our principal executive officer and our principal financial officer, as appropriate, to allow timely decisions regarding required disclosure. We design our disclosure controls and procedures to ensure, at reasonable assurance levels, that such information is timely recorded, processed, summarized and reported, and then accumulated and communicated appropriately.

Based on an evaluation of our disclosure controls and procedures as of March 31, 2018 our Chief Executive Officer and Chief Financial Officer concluded that, as of such date, our disclosure controls and procedures were effective at reasonable assurance levels.

Changes in Internal Control

There have been no changes in our internal control over financial reporting for the three months ended March 31, 2018 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations of Internal Controls

Notwithstanding the foregoing, 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 based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any system will succeed in achieving its stated goals under all potential future conditions. Over time, 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 employment, product liability, commercial arrangements, contracts, intellectual property and other matters. While the outcome of these proceedings and claims cannot be predicted with certainty, there are no matters, as of May 1, 2018, 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, 2017, 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, 2017, which was filed with the Securities and Exchange Commission on March 9, 2018.

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

Recent Sales of Unregistered Securities

None.

Issuer Purchases of Equity Securities

None.

Item 6. Exhibits

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Date	Number	
10.1	Asset Purchase Agreement between the Registrant and Specialty Surgical Instrumentation, Inc. dated April 5, 2018.				X
31.1	Certification of Chief Executive Officer, as required by Rule 13a-14(a) or Rule 15 d-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 May 4, 2018.

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 and Director

Exhibit 10.1

ASSET PURCHASE AGREEMENT

This **ASSET PURCHASE AGREEMENT** ("Agreement") is entered into as of April 5, 2018, by and between **LeMaitre Vascular, Inc.**, a Delaware corporation with its principal place of business at 63 Second Avenue, Burlington, Massachusetts 01803 ("Seller"), and **Specialty Surgical Instrumentation, Inc.**, a Tennessee corporation with its principal place of business at 3034 Owen Drive, Antioch, TN 37013 ("Buyer"). Buyer and Seller are referred to in this Agreement collectively as "Parties" and individually as a "Party".

RECITALS

WHEREAS, Seller manufactures, markets and sells the products identified on Schedule 1.1 attached hereto (the "Products"); and

WHEREAS, Buyer desires to purchase, and Seller desires to sell, the Purchased Assets (as defined below), on the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual representations, warranties, covenants and agreements herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

ARTICLE I
PURCHASE AND SALE OF ASSETS; ASSUMPTION OF LIABILITIES

1.1 **Purchased Assets.** Subject to the terms and conditions of this Agreement, at the Closing, Seller will sell, convey, transfer, assign and deliver, as applicable, free and clear of all Liens, except for Permitted Liens, to Buyer all of its right, title and interest in and to all of the assets, properties and business of Seller solely related to, used exclusively or held for use exclusively in, and required exclusively for, the manufacture, production, marketing, sale and distribution of the Products, as described in Section 1.1 below except for those assets that are Excluded Assets (collectively, the "Purchased Assets"), that exist on the Closing Date:

(a) All of Seller's rights and interest in the Registrations, including the original (or if originals are not available, copies thereof) documents in the possession or control of Seller evidencing the Registrations issued to Seller by the applicable regulatory authority, as listed in Schedule 1.1(a);

(b) All (i) Intellectual Property, (ii) Transferred Know-How, and (iii) Seller Intangible Property listed in Schedule 1.1(b);

(c) All finished goods in Seller's inventory in Burlington, Massachusetts (the "Finished Goods") in Seller's possession or control as of 6:00 p.m. ET on the Closing Date;

(d) All customer lists, including each customer's order and purchase history and pricing history;

(e) All sales and marketing and training assets and materials related to the Products (physical, digital and electronic);

(f) all Books and Records exclusively Related to the Business or Products;

(g) All Manufacturing instructions listed in Schedule 1.1(g);

(h) All Product drawings and specifications listed in Schedule 1.1(h);

(i) All Technical files, device master records and test reports listed in Schedule 1.1(i); and

(j) all other assets exclusively Related to the Business that are not Excluded Assets, including but not limited to manufacturing equipment, all as listed on Schedule 1.1(j).

1.2 **Excluded Assets.** Notwithstanding anything to the contrary set forth in this Agreement, the Purchased Assets shall exclude all assets, tangible or intangible, of Seller and its Affiliates (the "Excluded Assets") other than those specifically listed or described in Section 1.1. For the avoidance of doubt, the Excluded Assets specifically include all know-how, trade-secrets, technology, equipment, tooling and materials (including components or raw goods) related to the manufacture of Balloons, all tooling and all other equipment not exclusively used in the manufacture of the Products, and all inventory other than Finished Goods.

1.3 **Assumed Liabilities.** Upon and after the Closing, Buyer agrees to assume, pay, discharge and perform when required and lawfully due, the Assumed Liabilities.

1.4 **Excluded Liabilities.** Buyer shall not assume any Liabilities of Seller (such non-assumed Liabilities being the "Excluded Liabilities") other than the Assumed Liabilities specifically assumed and set forth in Section 1.3. Without limiting the generality of the foregoing, in no event shall Buyer or any of its Affiliates assume or incur any Liability in respect of, and Seller shall remain bound by and liable for, and shall pay, discharge or perform when due, the following Liabilities of Seller:

(a) all Liabilities for (1) Taxes relating to the Business or the Purchased Assets for any Pre-Closing Tax Period and (2) Taxes of Seller or any Affiliate of Seller whenever and however arising, including Taxes arising from or relating to the transactions contemplated by this Agreement and Taxes arising from Seller's operations (except as specifically otherwise set forth herein);

(b) all Liabilities in respect of Contracts that are not specifically included in the Purchased Assets, and all other Excluded Assets;

(c) all product liability, warranty and similar claims for Losses or injury to person or property, claims of infringement of Intellectual Property Rights, legal proceedings against Seller or its Affiliates, and all other Losses or liabilities, including liabilities from or relating to rebates, credits, discounts, price commitments and incentives, Taxes or other obligations to Taxing Authorities, regardless of when made or asserted, arising out of or incurred in connection with the conduct of the Business on or before Closing, including but not limited to those for Products manufactured or sold before the Closing (but excluding Products manufactured by Seller prior to the Closing Date and sold by Buyer after the Closing Date to the extent of any abuse or misuse of, or failure to properly store, any Product by Buyer or any third party or to the extent related to Buyer's sales or marketing activities);

(d) all Indebtedness, accrued expenses, accounts payable or other payment obligations of the Seller or the Business that do not constitute or are excluded from the Assumed Liabilities;

(e) all Liabilities for and Losses relating to Seller's employees, contractors or agents, including but not limited to any resulting from Liabilities under benefit plans which provide health, welfare, pension or other payments or benefits;

(f) Any Liabilities for and Losses relating to any asset that is not a Purchased Asset or Assumed Liability, including those Related to Excluded Assets and Excluded Liabilities.

(g) All Liabilities incurred by Seller and arising out of or incurred in connection with the negotiation, preparation and execution of this Agreement and the Related Agreements and the consummation of the transactions contemplated hereby and thereby, including Taxes and fees and expenses of counsel, accountants and other experts; and

(h) All known and unknown Liabilities and Losses Related to the Business or Purchased Assets existing at Closing or incurred by Seller prior to the Closing (including those arising from or relating to Seller's use, ownership or operation of the Business or the Purchased Assets on or prior to the Closing) that are not explicitly included in the Assumed Liabilities.

ARTICLE II
PURCHASE PRICE

2.1 **Purchase Price.** As consideration for the Purchased Assets being acquired by Buyer hereunder, Buyer shall transfer to Seller Seven Million Four Hundred Thousand U.S. Dollars (US$7,400,000.00) ("Purchase Price") at Closing.

2.2 **Allocation of Purchase Price; Tax Treatment**. Buyer and Seller agree to use commercially reasonable efforts to agree upon the allocation of the consideration payable hereunder amongst the Purchased Assets within a reasonably prompt period following the Closing. Buyer and Seller agree that their respective tax returns (including IRS Form 8594 – Asset Acquisition Statement) relating to the transfer of the Purchased Assets hereunder will be consistent with such allocation.

2.3 **Payment.** Buyer will pay the Purchase Price by wire transfer of immediately available funds to the following bank account:

Bank: JP Morgan Chase
Address: 270 Park Ave.
New York, NY 10017
Beneficiary: LeMaitre Vascular, Inc.
Account No.: 957126085
Bank Routing: 021000021
SWIFT No.: CHASUS33

2.4 **No Additional Consideration**. The Parties hereby agree that the express terms of this Agreement and the Related Agreements fully define all consideration, compensation, and benefits, monetary or otherwise, to be paid, granted, or delivered to the other Party in connection with the transactions contemplated herein.

ARTICLE III
CLOSING AND POST-CLOSING

3.1 **Time.** Subject to the terms and conditions of this Agreement, the closing ("Closing") of the transactions contemplated by this Agreement and the purchase and sale of the Purchased Assets shall take place on the date hereof (the "Closing Date"). All proceedings shall occur simultaneously and all documents and agreements shall be executed and delivered simultaneously. The Closing may or may not be conducted in person, but the transaction shall be considered to have occurred in Massachusetts. Any purchase orders for Product received by Seller at any time before 4:30pm ET on the Closing Date shall be fulfilled by Seller and Seller shall be entitled to the proceeds of such sales. Seller shall forward to Buyer any purchase orders received at or after 4:30pm ET on the Closing Date for fulfillment by Buyer, redacted for any other products of Seller.

3.2 **Procedure at the Closing.** At the Closing, the Seller shall transfer title to all of the Purchased Assets to Buyer. Seller shall deliver to Buyer proper assignments, conveyances and bills of sale sufficient to convey to Buyer good and valid title to all the Purchased Assets free and clear of all Liens, except for Permitted Liens, as well as such other instruments of conveyance necessary to effect or evidence the transfers contemplated hereby. On or before the Closing, Seller shall execute and deliver to Buyer all of the documents and agreements required to be executed and delivered by it pursuant to Section 3.3. On or before the Closing, Buyer shall execute and deliver to Seller all of the documents and agreements required to be executed and delivered by it pursuant to Section 3.4 and deliver the Purchase Price pursuant to Article II.

3.3 **Closing Deliverables of Seller.** At the Closing, Seller shall deliver to Buyer:

(a) All items of the Purchased Assets that are not necessary or useful for the provision of services set forth in the Transition Services Agreement (as defined below);

(b) The Bill of Sale, duly executed by Seller, in substantially the form attached hereto as Exhibit A;

(c) Duly executed regulatory letter in substantially the form attached hereto as Exhibit B;

(d) Duly executed Transition Services Agreement in the form attached hereto as Exhibit C ("Transition Services Agreement");

(e) Duly executed Balloon Supply Agreement ("Balloon Supply Agreement") in the form attached hereto as Exhibit D;

(f) Duly executed Trademark Assignment Agreement in the form attached hereto as Exhibit E;

(g) Duly executed Quality Agreement in the form attached hereto as Exhibit F; and

(h) Such other bills of sale, assignments and other instruments of transfer or conveyance as Buyer may reasonably request or as may otherwise be necessary to evidence and effect the sale, assignment, transfer, conveyance and delivery of the Purchased Assets to Buyer.

3.4 **Closing Deliverables of Buyer.** At the Closing, Buyer shall deliver to Seller:

(a) The Purchase Price by wire transfer in accordance with Section 2.3;

(b) The bill of sale, duly executed by Buyer, in substantially the form attached hereto as Exhibit A;

(c) Duly executed Transition Services Agreement in the form attached hereto as Exhibit C;

(d) Duly executed Balloon Supply Agreement in the form attached hereto as Exhibit D;

(e) Duly executed Trademark Assignment Agreement in the form attached hereto as Exhibit E; and

(f) Such other bills of sale, assignments, assumptions and other instruments of transfer or conveyance as Seller may reasonably request or as may otherwise be necessary to evidence and effect the sale, assignment, transfer, conveyance and delivery of the Purchased Assets to Buyer and the assumption of the Assumed Liabilities by Buyer.

3.5 **Transition Services.** Seller shall provide reasonable technical, regulatory, and other requested assistance to Buyer as set forth in the Transition Services Agreement in connection with the activities contemplated under this Agreement. Notwithstanding anything set forth in this Agreement, Buyer grants Seller all rights necessary under the Purchased Assets solely and exclusively to perform the services set forth in the Transition Services Agreement until the earlier termination or expiration of the Transition Services Agreement.

3.6 **Remaining Purchased Assets.** Upon a schedule to be agreed to in writing by the Parties pursuant to the Transition Services Agreement, the Purchased Assets not delivered at Closing, if any, shall be delivered to Buyer, as arranged by Buyer at Buyer's cost at a mutually agreed upon time or times.

3.7 **Implementation and Regulatory Costs and Activities.** Except as expressly provided in the Related Agreements, Buyer shall be responsible for all regulatory and implementation costs and activities for the Purchased Assets following the Closing, except for Seller disclosure obligations.

3.8 **Finished Goods Evaluation.** On the next business day following the Closing Date, Seller and Buyer shall cause to be taken a SKU and physical inventory of the Finished Goods (the "Finished Goods Evaluation"), the date of the Finished Goods Evaluation being the "Finished Goods Date". The Finished Goods Evaluation shall be conducted at Seller's facility in Burlington, Massachusetts. Seller and Buyer shall each bear their respective costs and expenses relative to the Finished Goods Evaluation. Seller and Buyer shall each have representatives present during the Finished Goods Evaluation. Both Buyer and Seller agree that during the conduct of the Finished Goods Evaluation, no sales or other transactions shall be conducted. If the value of the Finished Goods is less than $301,000, then Seller shall refund the difference to Buyer on a dollar-for-dollar basis within thirty (30) days of the Finished Goods Date; and if the value of the Finished Goods is greater than $301,000, then Buyer shall pay to Seller the difference on a dollar-for-dollar basis within thirty (30) days of the Finished Goods Date. The value of Finished Goods that constitutes non-sellable samples and evaluation inventory that is either with or held for sales representatives shall be valued at $0. For the purposes of this Section 3.8, the value of the Finished Goods shall be the Seller's standard cost of the Finished Goods for each SKU as previously disclosed to Buyer, which amounts already include any required reserves as reflected in Seller's books.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller as follows, as of the date hereof:

4.1 **Status.** Buyer is a corporation duly organized, validly existing and in good standing under the Laws of the State of Tennessee.

4.2 **Power and Authority.** Buyer has the power and authority to execute and deliver this Agreement and the other agreements contemplated hereby, to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby to be consummated by it. Buyer has taken all action necessary to authorize the execution and delivery of this Agreement and the other agreements contemplated hereby, the performance of its obligations hereunder and thereunder and the consummation of the transactions contemplated hereby and thereby to be consummated by it.

4.3 **Enforceability.** This Agreement has been duly executed and delivered by Buyer and constitutes a legal, valid and binding obligation of Buyer enforceable against Buyer in accordance with its terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting the enforcement of creditors' rights generally and general equitable principles.

4.4 **No Violation.** The execution and delivery by Buyer of this Agreement and any other agreement or document to be delivered by it in connection herewith, the performance by Buyer of its obligations hereunder and thereunder, and the consummation by Buyer of the transactions contemplated hereby and thereby will not: (a) contravene any provision of the certificate of incorporation or formation document, charter or by-laws or similar organizational document of Buyer; (b) violate or conflict with any applicable Law; or (c) require the consent, approval, authorization or permit of, or filing with or notification to, any Governmental Authority, any court or tribunal or any other Person (except for Consents already obtained).

4.5 **No Commissions.** Buyer has not incurred any obligation for any finders', brokers' or agents' fees or commissions or similar compensation in connection with the transactions contemplated hereby for which it is not solely responsible.

4.6 **No Litigation.** There is no action, litigation, suit, claim, investigation, proceeding, or administrative action pending or threatened against or by Buyer, or seeking to restrain or prohibit Buyer from entering into this Agreement, or challenging or seeking to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement or the Related Agreements or to prohibit the Closing or the performance of any other obligation hereunder that, if adversely determined, would materially impair Buyer's ability to perform its obligations hereunder.

4.7 **Solvency.** Buyer is not insolvent and will not be rendered insolvent by any of the transactions contemplated by this Agreement and the Related Agreements. "Insolvent" means, with respect to any Person, that the sum of the debts and other probable Liabilities of such Person exceeds the present fair saleable value of such Person's assets

ARTICLE V
REPRESENTATIONS AND WARRANTIES OF SELLER

Except as expressly set forth below, Seller represents and warrants to Buyer as follows as of the Closing Date that the statements contained in this Article V are true and correct, except as set forth in the disclosure schedule dated and delivered as of the Closing by Seller to Buyer (the "Seller's Disclosure Schedule"), which is attached to this Agreement as Exhibit I. For the avoidance of doubt, none of the representations or warranties of Seller speak to any Excluded Asset.

5.1 **Status.** Seller is duly organized, validly existing and in good standing under the Laws of the State of Delaware.

5.2 **Power and Authority.** Seller has the power and authority to execute and deliver this Agreement and the Related Agreements, to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby to be consummated by it. Seller has taken all action necessary to approve and authorize the execution and delivery of this Agreement and the Related Agreements, the performance of its obligations hereunder and thereunder and the consummation of the transactions contemplated hereby to be consummated by it.

5.3 **Enforceability.** This Agreement has been duly executed and delivered by Seller and constitutes the legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting the enforcement of creditors' rights generally and general equitable principles.

5.4 **No Violation.** The execution and delivery by Seller of this Agreement, the Related Agreements, and any other agreement or document to be delivered by it in connection herewith, the performance by Seller of its obligations hereunder and thereunder, and the consummation by Seller of the transactions contemplated hereby and thereby will not: (a) contravene any provision of the certificate of incorporation or formation document, charter, or bylaws or similar organizational document of Seller; (b) violate or conflict with any applicable Law; (c) result in the creation or imposition of any Lien upon or with respect to any of the Purchased Assets; (d) violate or constitute a default, an event of default or an event creating rights of acceleration, termination, cancellation, imposition of additional obligations or loss of rights under any Contract: (1) to which Seller is a party, (2) of which Seller is a beneficiary or (3) by which Seller or any of the Purchased Assets is bound; (e) require the consent, approval, authorization or permit of, or filing with or notification to, any Governmental Authority, any court or tribunal or any other Person; or (f) result in the creation of any Liens upon any of the Purchased Assets.

5.5 **No Commissions.** Except for a success fee payable solely by Seller to High Peaks Partners, LLC, Seller has not incurred any obligation for any finders,' brokers' or agents' fees or commissions or similar compensation in connection with the transactions contemplated hereby for which it is not solely responsible.

5.6 **Title.** Seller is the true and lawful owner of, and has good and valid title to, the Purchased Assets free and clear of all Liens, except for Permitted Liens.

5.7 **Sufficiency.** Except for the assets subject to the terms and conditions set forth in each of the Transition Services Agreement and the Balloon Supply Agreement, the Purchased Assets will be sufficient for the conduct and operation of the Business by Buyer following the Closing so long as and to the extent that Buyer conducts and operates the Business in substantially the same manner as Seller currently conducts and operates the Business and as Seller conducted and operated the Business in the six (6) months prior to the Closing Date.

5.8 **Registrations; Compliance with Laws.**

(a) There are no proceedings pending or threatened, have not been in the two (2) years prior to closing, and to Seller's Knowledge, no circumstances that exist that could result in a revocation, cancellation, or suspension of any Registration listed in Schedule 1.1(a). Seller is the exclusive owner of the Registrations and has not granted any right of reference or license with respect thereto.

(b) Seller is in compliance in all material respects with the Federal Food Drug and Cosmetic Act and has obtained all permits necessary for the Products pursuant to Title 21 of the Code of Federal Regulations, Parts 800 through 1299 (21 CFR Parts 800-1299). No consents from the Food and Drug Administration or any other Governmental Authority are required in order to transfer the Registrations, to the extent transferable.

(c) Seller has maintained records relating to the development, manufacture, testing, storage, handling, labeling, packaging, sale, marketing, promotion, distribution, import, or export of the Products in compliance in all material respects with all applicable Laws. The Seller has submitted to the FDA and any other applicable Governmental Authority all required supplemental applications, notices, and annual or other reports and information, including adverse experience reports and product deviation reports, related to the development, manufacture, testing, storage, handling, labeling, packaging, sale, marketing, promotion, distribution, import, or export of the Products.

(d) Seller has not received any written or other notice of any actual or threatened investigation, inquiry, recall, inspection, or audit of, or administrative or judicial action, hearing, or enforcement proceeding against Seller or its directors, officers, employees, contractors, or agents involving allegations of violation of any Law concerning the Products or the ownership, development, testing, manufacturing, operation, storage, distribution, warehousing, packaging, labeling, handling, sale, promotion, or marketing thereof. To Seller's Knowledge, there is no act, omission, event, or circumstance relating to the activities of the Seller that would reasonably be expected to give rise to or lead to any Product recall or termination or suspension of sale of the Products.

(e) Except as set forth on Schedule 5.8(e), Seller has not recalled, suspended, or discontinued any lots or units of the Products or conducted a market withdrawal of any lots or units of the Products in the five (5) years prior to the Closing Date.

(f) The Seller has not been notified of any pending inspections by any Governmental Authority and does not have to take and/or implement any corrective and/or preventive actions resulting from an order of a Governmental Authority. Seller is in compliance in all material respects with all Laws and orders applicable to the Business. The representations and warranties contained in this Section 5.8 shall not be deemed to relate to tax matters, which are governed by Section 5.12.

5.9 **RESERVED.**

5.10 **Disclaimer Regarding Sales Data.** In connection with Buyer's due diligence of the Products, Buyer has received past Product sales data, including as a part of the Purchased Assets. Buyer understands that past Product sales data provided by Seller does not provide any guaranties or warranties regarding future sales of Product, and Buyer shall have no claim against Seller with respect thereto.

5.11 Legal Proceedings.

(a) Except as listed in Section 5.11 of the Seller's Disclosure Schedule, there is no, and during the past two (2) years prior to the Closing Date there have been no, Legal Proceedings, in each case Related to the Business: (i) pending or threatened against or affecting or otherwise relating to Seller, the Products, the Purchased Assets or the Business, or (ii) that challenges or seeks to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement or the Related Agreements. To Seller's Knowledge, no event or circumstance has occurred or exists that may give rise to or serve as a basis for any such Legal Proceeding.

(b) There is no unsatisfied Liability, judgment, penalty or award resulting from a Legal Proceeding, in each case Related to the Business, against or affecting the Purchased Assets.

5.12 Tax Matters. The representations and warranties set forth in this Section 5.12 are Seller's sole and exclusive representations and warranties regarding Tax matters. Except as set forth in Section 5.12 of the Disclosure Schedules:

(a) Seller has filed (taking into account any valid extensions) all material Tax Returns required to be filed by Seller applicable to the Business. Such Tax Returns are true, complete and correct in all material respects. Seller is not currently the beneficiary of any extension of time within which to file any such Tax Return other than extensions of time to file such Tax Returns obtained in the ordinary course of business. All Taxes applicable to the Business due and owing by Seller, or which Seller is obligated to withhold from amounts owing to any employee, creditor or third party, have been paid or accrued.

(b) There are no ongoing actions, suits, claims, investigations or other legal proceedings by any taxing authority against Seller related solely to the Business.

(c) There is no action or audit now proposed, threatened or pending against, or with respect to, Seller in respect of any Tax or related to the Business. To Seller's Knowledge no Governmental Authority will assess any additional Taxes. No claim has ever been made by an authority in a jurisdiction where Seller does not file Tax Returns that it is or may be subject to taxation by that jurisdiction or that it must file Tax Returns in any such jurisdiction. There are no Liens on any of the assets of Seller with respect to Taxes.

5.13 Finished Goods. The Finished Goods consist solely of Products that are not opened, damaged, obsolete or of a faulty quality and in a quantity consistent with the Ordinary Course of the Business, except for obsolete, damaged, defective or slow-moving items that have been written off or written down to fair market value in accordance with Seller's internal policies. Except as set forth on Schedule 5.13, none of the Finished Goods is within twelve (12) months of expiration on the Closing Date. Seller does not hold any Finished Goods on a consignment basis. No write-down of such Finished Goods has been made or should have been made in the period since the Interim Date.

5.14 No Undisclosed Liabilities. To Seller's Knowledge, there exist no liabilities or claims of any kind whatsoever against Seller, of any kind, including but not limited to for injury to person or property to any Person suffered as a result of the sale of any Product or performance of any service by Seller related to the Products including, but not limited to, claims arising out of the defective or unsafe nature of the Products or services except those set forth on Section 5.14 of Seller's Disclosure Schedule ("Liabilities").

5.15 Financial Statements.

(a) Section 5.15(a) of the Seller's Disclosure Schedule contains true and complete copies of the following financial statements of the Business (the "Financial Statements") as of December 31, 2017 (the "Balance Sheet Date") and year to date through March 21, 2018 (the "Interim Date"): Revenue, Cost of Goods Sold, and Gross Profits related to the Products, net of the reserves referred to in Section 5.18(c).

(b) The Financial Statements are true, complete and correct and the Cost of Goods Sold, including as used in the calculation of Gross Profit, is presented on a standard cost basis without the application of any variances. The Financial Statements are based on the books and records of Seller, and fairly present the Revenue, Cost of Goods Sold, and Gross Profits related to the Products as of the Balance Sheet Date and the Interim Date.

5.16 Environmental.

(a) The operations and activities of Seller Related to the Business comply, and have in the past complied, in all respects with all material Environmental Requirements. No Governmental Authority has provided written notice to Seller of pending or currently proposed changes to any Environmental Requirements which, when implemented or effective, may affect the value of the Purchased Assets, create any Liabilities, or adversely impact Seller's ability to perform during the Transition Services Agreement.

(b) There is no civil, criminal, administrative or other claim or Liability pending, received, or, to the Knowledge of Seller, threatened against the Seller relating in any way to any Environmental Requirements.

(c) Seller has received no written notice or, to Seller's Knowledge, indication from any Governmental Authority or private or public entity advising it that it is or may be responsible for any investigation or response costs with respect to a release, threatened release or cleanup of chemicals or materials produced by or resulting from any business, commercial or industrial activities, operations or processes Related to the Business, including, without limitation, any Hazardous Materials. To Seller's Knowledge, no facts or circumstances exist that are reasonably likely to give rise to such notices.

5.17 Insurance.

(a) Section 5.17(a) of Seller's Disclosure Schedule sets forth: (i) an accurate and complete list of each insurance policy and fidelity bond which covers the Purchased Assets or Business and Seller with respect to the Business (the "Policies") and (ii) with respect to the Business, a list of all

pending claims and the claims history for Seller during the current year and the preceding three years (including with respect to insurance obtained but not currently maintained). There are no pending claims under any of such Policies with respect to the Business as to which coverage has been questioned, denied or disputed by the insurer or in respect of which the insurer has reserved its rights.

(b) Section 5.17(b) of Seller's Disclosure Schedule describes any self-insurance arrangement by or affecting the Seller with respect to the Business, including any reserves thereunder, and describes the loss experience for all claims that were self-insured in the current year and the preceding three years.

(c) All Policies are in full force and effect and are enforceable in accordance with their terms. Seller has no Knowledge of any threatened termination of any Policy.

5.18 Product Warranty.

(a) There are no warranties (express or implied) outstanding with respect to any Products currently or formerly manufactured, sold, distributed, shipped or licensed, or any services rendered, by Seller in connection with the Business, beyond that set forth in the standard conditions of sale or service, copies of which are included in Section 5.18(a) of Seller's Disclosure Schedule.

(b) Each Product manufactured, sold, distributed, shipped or licensed, or service rendered, by the Seller in connection with the Business has been in conformity with all applicable contractual commitments and warranties. There are no material design, manufacturing or other defects, latent or otherwise, with respect to any Products and such Products are not toxic when used in accordance with their intended use. Each Product that has been manufactured, sold, distributed, shipped or licensed prior to Closing contains all warnings required by applicable Law and such warnings are in accordance with reasonable industry practice.

(c) The Financial Statements reflect adequate reserves (in accordance with Seller's internal policies) for warranty claims and other Losses or Liabilities related to any Product manufactured, sold, distributed, shipped or licensed by the Seller on or prior to the Interim Date. The Financial Statements reflect adequate reserves (in accordance with Seller's internal policies) for all such claims in connection with Products manufactured, sold, distributed, shipped or licensed by Seller on or prior to the Closing.

5.19 RESERVED.

5.20 Solvency. Seller is not insolvent and will not be rendered insolvent by any of the transactions contemplated by this Agreement and the Related Agreements. "Insolvent" means, with respect to any Person, that the sum of the debts and other probable Liabilities of such Person exceeds the present fair saleable value of such Person's assets.

5.21. Condition of Tangible Assets. All tooling and equipment that are included in the Purchased Assets are in good operating condition and repair (subject to normal wear and tear given the use and age of such Purchased Asset), are usable in the ordinary course of the Business and, except as set forth on Schedule 5.21 of the Seller's Disclosure Schedule, conform to all Laws and Authorizations relating to their use and operation.

5.22. Intellectual Property.

(a) Schedule 1.1(b) hereof lists (by name, owner and, where applicable, registration number and jurisdiction of registration, application, certification or filing) all Intellectual Property that is owned by Seller and exclusively Related to the Business ("Seller's Owned Intellectual Property"); provided that Schedule 1.1(b) is not required to list items of Seller's Owned Intellectual Property that is: (i) immaterial to the Business or (ii) not registered or the subject of an application for registration. Except as described in Schedule 1.1(b), Seller owns the entire right, title and interest to all Seller's Owned Intellectual Property free and clear of all Liens.

(b) Seller exclusively owns the entire right, interest and title to each item of Intellectual Property exclusively Related to the Business as it is currently conducted, free and clear of Liens.

(c) All registration, maintenance and renewal fees related to Trademarks and any other certifications, filings or registrations of Seller's Owned Intellectual Property ("Seller's Registered Items") that are currently due have been paid and all documents and certificates related to such Seller's Registered Items have been filed with the relevant Governmental Authority or other authorities for the purposes of maintaining such Seller's Registered Items. There are no actions that must be taken by Buyer within 60 days after the date hereof, including the payment of any registration, maintenance or renewal fees or the filing of any documents, applications or certificates for the purposes of maintaining, perfecting or preserving or renewing Seller's Registered Items. All Seller's Registered Items are in good standing, held in compliance with all applicable legal requirements and enforceable by Seller. To Seller's Knowledge, all of Seller's Owned Intellectual Property is valid.

(d) Seller is not aware of any challenges (or any basis therefor) with respect to the validity or enforceability of Seller's Owned Intellectual Property. Section 5.22(d) of the Seller's Disclosure Schedule lists the status of any proceedings or actions before the USPTO or any other Governmental Authority anywhere in the world related to any of the Seller's Owned Intellectual Property, including the due date for any outstanding response by Seller in such proceedings. Seller has not taken any action or failed to take any action that could reasonably be expected to result in the abandonment, cancellation, forfeiture, relinquishment, invalidation, waiver or unenforceability of Seller's Owned Intellectual Property.

(e) To Seller's Knowledge, none of the Products or Purchased Assets, has infringed or infringes upon, or otherwise unlawfully used or uses, the Intellectual Property Rights of any Person. Seller, by conducting the Business as currently conducted, has not infringed or does not infringe upon, or otherwise unlawfully used or use, any Intellectual Property Rights of a Person. To Seller's Knowledge, Seller has not received any communication alleging that Seller has violated or, by conducting the Business as currently conducted violates any Intellectual Property Rights of a Person nor, to Seller's Knowledge, is there any basis therefor. No Action has been instituted, or, to Seller's Knowledge, threatened, relating to any Intellectual Property formerly or currently used

by Seller Related to the Business and none of the Seller's Intellectual Property is subject to any outstanding Order. To Seller's Knowledge, no Person has infringed or is infringing any Intellectual Property Rights of Seller Related to the Business or has otherwise misappropriated or is otherwise misappropriating Seller's Intellectual Property Related to the Business.

(f) Seller has taken commercially reasonable steps to protect and preserve the confidentiality of all Proprietary Information owned by Seller Related to the Purchased Assets that is not covered by an issued Patent. Any receipt or use by, or disclosure to, a Person of Proprietary Information Related to the Purchased Assets owned by Seller has been pursuant to the terms of binding written confidentiality and non-use agreement between Seller and such Person ("Nondisclosure Agreements"). Seller is, and to Seller's Knowledge, all other parties thereto are, in compliance in all material respects with the provisions of the Nondisclosure Agreements. Except as set forth on Schedule 5.22(f) of Seller's Disclosure Schedule, Seller is in compliance with the terms of all Contracts pursuant to which a Person has disclosed to, or authorized Seller to use, Proprietary Information Related to the Business owned by such Person.

(g) All current and former employees, consultants and contractors of the Business have executed and delivered, and are in compliance with, enforceable agreements regarding the protection of Proprietary Information and providing valid written assignments of all Intellectual Property Related to the Business conceived or developed by such employees, consultants or contractors in connection with their services for the Business ("Work Product Agreements"). True and complete copies of the forms of Work Product Agreements have been provided to Buyer. No current or former employee, consultant or contractor or any other Person has any right, claim or interest to any of the Seller's Intellectual Property.

(h) Except as set forth on Schedule 5.22(h) of Seller's Disclosure Statement, the execution and delivery of this Agreement by Seller does not, and the consummation of the transactions contemplated hereby (in each case, with or without the giving of notice or lapse of time, or both), will not, directly or indirectly, result in the loss or impairment of, or give rise to any right of any Person to terminate or reprice or otherwise renegotiate Seller's rights to own any of its Intellectual Property nor require the consent of any Governmental Authority or other Person in respect of any such Intellectual Property.

5.23. Absence of Certain Changes or Events. Except as set forth in Section 5.23 of the Seller's Disclosure Schedule, since the Balance Sheet Date to the Closing Date, as they Relate to the Business:

(a) there has not been any material adverse change in the condition (financial or otherwise), operations, prospects or results of operations of the Business;

(b) Seller has not amended or changed, or proposed to amend or change, its Charter Documents in a manner that could be expected to delay, or impair the consummation of the transactions contemplated by this Agreement;

(c) Seller has not sold, leased, transferred or assigned any Purchased Assets or other property or assets Related to the Business, except for (i) the sale of Inventory, and (ii) the sale of obsolete Inventory, in each case in the Ordinary Course of the Business, with any sales of Products not being in excess of the average monthly sales over the course of the twelve (12) months prior to closing;

(d) Seller has not incurred, assumed or guaranteed any Indebtedness related to the Purchased Assets;

(e) Seller has not mortgaged, pledged or subjected to Liens any Purchased Assets, except for Liens arising under lease financing arrangements existing as of the Balance Sheet Date and Permitted Liens;

(f) Seller has not taken any action outside the Ordinary Course of Business;

(g) there has not been any violation of, or conflict with, any applicable Law or any Business Authorization;

(h) Seller has not agreed, or entered into any arrangement, to take any action which, if taken prior to the date hereof, would have made any representation or warranty set forth in this Section untrue or incorrect as of the date when made;

(i) there has not been any material damage, destruction or loss with respect to the assets, properties and rights of the Business, or the Purchased Assets, whether or not covered by insurance;

(j) Seller has not made any change in the accounting practices Related to the Business in the two (2) years prior to the Closing Date; and

(k) Seller has not agreed, whether in writing or otherwise, to do any of the foregoing.

5.24. Customers and Suppliers. Section 5.24 of Seller's Disclosure Schedule sets forth: (a) the top ten (10) customers of the Products for each of the: i) twelve (12) month period ending on December 31, 2017, and ii) the gross revenues associated with each such customer (collectively, the "Top Customers"), and (b) the top ten (10) suppliers of Seller Related to the Products (but excluding any Supplier related to Excluded Assets) for each of the: i) twelve (12) month period ending on December 31, 2017, and ii) the amount of payments associated with each such supplier (collectively, the "Top Suppliers"). Since December 31, 2017 and except as set forth on Section 5.24 of Seller's Disclosure Schedule, none of the Top Customers or Top Suppliers has (i) ended its relationship with Seller, (ii) materially reduced its purchases from Seller, (iii) ceased, or indicated to Seller's Knowledge any intention to cease, doing business with Seller, or (iv) materially changed or indicated, to Seller's Knowledge, any intention to materially change any terms for future purchase, supply, distribution, license or sale of Products or provision of supplies from the terms that existed with respect to the purchase, supply, distribution, license or sale of such products or services. To Seller's Knowledge, none of the Top Customers intends to end its relationship with Seller or to materially reduce its purchases from Seller.

5.25. Completeness of Disclosure. The representations and warranties contained in this Article V and in the Related Agreements delivered by Seller do not contain any untrue or misleading statement of fact or omit to state any material fact necessary in order to prevent the statements and information contained therein from being untrue, false or misleading. Except for the representations and warranties contained in this Article V and in the Related Agreements delivered by Seller, neither Seller nor any other Person has made or makes any other express or implied representation or warranty, either written or oral, on behalf of Seller, express or implied. Buyer acknowledges that it is relying solely upon its own investigation and the express representations and warranties set forth herein.

5.26. Survival of Representations and Warranties, etc. The representations and warranties contained in this Agreement shall survive the execution and delivery of this Agreement, any examination by or on behalf of the parties hereto and the completion of the transactions contemplated herein, and a breach thereof shall give rise to a Claim hereunder, but only to the extent specified below:

(a) except as set forth in clauses (b), (c) and (d) below, the representations and warranties contained in Article IV (Buyer's Representations and Warranties) and Article V (Seller's Representations and Warranties) shall survive for a period of twenty-four (24) months following the Closing Date;

(b) the representations and warranties contained in Sections 4.1 (Buyer's Status), 4.2 (Buyer's Power and Authority), 4.3 (Enforceability), 4.4 (No Violation), 4.5 (No Commissions), 5.1 (Seller's Status), 5.2 (Seller's Power and Authority), 5.3 (Enforceability), 5.4 (No Violations), 5.5 (No Commissions), 5.6 (Title), and 5.8 (Compliance with Law) (the "Fundamental Representations"), shall survive for ten (10) years following the Closing Date;

(c) the representations and warranties contained in Section 5.7 (Sufficiency) (the "Sufficiency Representation") shall survive for four (4) years following the Closing Date; and

(d) the representations and warranties contained in Section 5.12 (Taxes) and any obligation under this Agreement for Buyer to pay Taxes shall survive until the close of business on the sixtieth (60^{th}) day following the expiry of the applicable statute of limitations with respect to the Tax liabilities in question (giving effect to any waiver, mitigation or extension thereof).

ARTICLE VI
CERTAIN AGREEMENTS AND COVENANTS OF THE PARTIES

6.1 Further Assurances. Each Party shall execute and deliver such additional instruments and other documents and shall take such further actions as may be reasonably necessary to effectuate, carry out and comply with all of the terms of this Agreement and the transactions contemplated hereby, including without limitation any filings or correspondence with any regulatory agency, notified body or other person regarding Registrations, product recalls, adverse event reports and the like.

6.2 Taxes. Notwithstanding anything to the contrary set forth herein, any value-added, sales, transfer, documentary, stamp, filing, recordation, and other similar Taxes and any notarial and registry fees and recording costs attributable to the sale or transfer of the Purchased Assets shall be paid by Buyer. 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 Purchased Assets (or the income therefrom). Seller will prepare and file or cause to be prepared and filed all Tax Returns that are required to be filed with respect to the Purchased Assets through the Closing Date. Seller will pay or cause to be paid all Taxes required to be paid by Seller with respect to such Tax Returns. All Taxes and similar ad valorem obligations levied with respect to the Purchased Assets for a taxable period that includes (but does not end on) the Closing Date shall be apportioned between Seller and Buyer as of the Closing Date based on the number of days of such taxable period included in the period ending with and including the Closing Date (with respect to any such taxable period, the "Pre-Closing Tax Period"), and the number of days of such taxable period beginning after the

Closing Date (with respect to any such taxable period, the "Post-Closing Tax Period"). Seller shall be liable for the proportionate amount of such Taxes that is attributable to the Pre-Closing Tax Period, and Buyer shall be liable for the proportionate amount of such Taxes that is attributable to the Post-Closing Period. If bills for such Taxes have not been issued as of the Closing Date, and, if the amount of such Taxes for the period including the Closing Date is not then known, the apportionment of such Taxes shall be made at Closing on the basis of the prior period's Taxes. After Closing, upon receipt of bills for the period including the Closing Date, adjustments to the apportionment shall be made by the parties, so that if either party paid more than its proper share at the Closing, the other party shall promptly reimburse such party for the excess amount paid by them. Buyer and Seller agree to furnish or cause to be furnished to each other, upon request, as promptly as practicable, such information and assistance relating to the Business, the Purchased Assets and Assumed Liabilities (including access to books and records) as is reasonably necessary for the filing of all Tax Returns, the making of any election relating to Taxes, the preparation for any audit by any Taxing Authority, and the prosecution or defense of any Liability relating to any Tax. Any expenses incurred in furnishing such information or assistance shall be borne by the party requesting it.

6.3 **Confidentiality**. The Parties agree to maintain the terms and conditions of that certain Nondisclosure Agreement effective January 4, 2018 in full force and effect through and following Closing in accordance with its terms.

6.4 **Warranties.** Seller shall be financially responsible for all warranties issued by Seller to customers with respect to Products manufactured or sold prior to the Closing Date as well as any non-warranty returns of Products sold prior to the Closing Date, provided that such returns are returned to Seller in compliance with Seller's return policy, which will not prevent such returns from being made at Seller's sole cost and expense. Buyer shall timely address any customer claims against such warranties or such returns at Seller's sole cost. Seller will reasonably cooperate with Buyer at Seller's sole expense in the handling of any warranty claims for or returns of such Products.

6.5 **Distributors.** Seller shall be responsible for termination of the rights to distribute the Products of the distributors listed on Schedule 6.5 (the "OUS Distributors") promptly following closing and Seller shall indemnify and hold Buyer harmless against any claims of such OUS Distributors in connection with the termination of their rights to distribute the Products.

6.6 **Seller Marks.** Buyer shall not adopt, use, or register any Seller Mark or any confusingly similar words or symbols or the name of any of the products Buyer markets, other than the use of such marks solely in connection with the labeling of the Products or as otherwise expressly permitted in the Related Agreements. Notwithstanding the foregoing, Seller grants to Buyer a non-assignable royalty free, fully paid license to utilize Seller's Marks in conjunction with the sale of all Finished Goods and subsequent sales of Products (including but not limited to as they appear on labeling, IFUs and elsewhere) following Closing until all Registrations have been transferred to Buyer.

6.7 Restrictive Covenants.

(a) Seller agrees that for a period of three (3) years commencing on the Closing Date (the "Restricted Period"), neither Seller nor any Affiliate of Seller (as they now or in the future exist) 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, any profit or not-for-profit business or enterprise that engages in any Competitive Activity. "Competitive Activity" shall mean the design, manufacture, sale or distribution of any of the Products or any products similar in function to the Products or that are substitutes for the Products. For the avoidance of doubt, (i) the design, manufacture, sale or distribution of any products that treat vascular conditions do not constitute Competitive Activity and (ii) Seller's activities under the Transition Services Agreement and the Balloon Supply Agreement do not constitute Competitive Activity.

(b) Neither Party shall, at any time during the Restricted Period, directly or indirectly solicit, induce or attempt to induce to enter the employ of such Party or any other person or entity any employees of the other who are employed by such other Party at Closing and with whom the hiring Party first became acquainted prior to Closing related to work on the transactions contemplated in this Agreement. Nothing herein shall impair a Party's normal and customary broad solicitations to the market or hiring an employee of the other Party who responds to such general solicitation.

(c) Neither Party shall urge, induce or seek to induce any of the other Party's Customers who have purchased Products within the prior twelve (12) months to reduce or terminate their business with such other Party or in any manner interfere with such other Party's business relationships with its Customers.

(d) Neither Party shall disparage the other Party, its directors, officers, employees, products, facilities, services or other persons or things associated with the other Party or otherwise publish or communicate any information or opinions that would reasonably be considered to be derogatory or critical of the other Party, its directors, officers, employees, products, facilities, services or anything associated with it.

(e) Seller and Buyer each acknowledge that any breach of the covenants contained in Section 6.8(a) and (b) could cause an irreparable injury to the non-breaching party and that damages and remedies at law for any breach of any such covenant could be inadequate. Seller and Buyer 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 seek injunctive relief and other equitable relief to prevent a breach of any such covenant.

(f) It is the desire and intent of the Parties to this Agreement that the provisions of this Section 6.8 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 6.7 shall be adjudicated to be invalid, ineffective or unenforceable, then it 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.

6.8 Bulk Sales Laws. Buyer and Seller hereby waive compliance by Buyer and Seller with the bulk sales Law and any other similar Laws in any applicable jurisdiction in respect of the transactions contemplated by this Agreement and the Related Agreements; provided, however, that Seller shall pay and discharge when due all claims of creditors asserted against Buyer or the Purchased Assets by reason of any noncompliance on Seller's part, and shall take promptly all necessary actions required to remove any Lien which may be placed upon any of the Purchased Assets by reason of Seller's noncompliance.

6.9 Discharge of Business Obligations after Closing.

(a) From and after the Closing, Seller shall pay and discharge on a timely basis all of the Excluded Liabilities and Buyer shall pay and discharge on a timely basis all of the Assumed Liabilities.

(b) From and after the Closing, if Seller or any of its respective Affiliates receives or collects any funds relating to any Purchased Asset (excluding Product sold on or prior to the Closing Date), Seller or its Affiliate shall remit such funds to Buyer within ten Business Days after its receipt thereof. From and after the Closing, if Buyer receives or collects any funds relating to any Excluded Asset or any Product sold on or prior to the Closing Date, Buyer shall remit any such funds to Seller within ten Business Days after its receipt thereof.

6.10 Access to Books and Records. Seller and Buyer shall preserve until the tenth anniversary of the Closing Date all records possessed or to be possessed by such party relating to any of the assets, Liabilities, Products or the Business prior to the Closing. After the Closing Date, where there is a legitimate business purpose, such party shall provide the other party with access, upon prior reasonable written request specifying the need therefor, during regular business hours, to (i) the officers and employees of such party and (ii) the books of account and records of such party, but, in each case, only to the extent relating exclusively to the assets, Liabilities, Products or the Business prior to the Closing, and the other party and its representatives shall have the right to make copies of such books and records at their sole cost or to receive copies electronically from the party that possesses them; provided, however, that the foregoing right of access shall not be exercisable in such a manner as to interfere unreasonably with the normal operations and business of such party and is subject to such party's rights to retain the confidentiality of legally privileged documents and communications pursuant to the confidentiality obligations set forth herein. Such records may nevertheless be destroyed by a party if such party sends to the other party written notice of its intent to destroy records, specifying with particularity the contents of the records to be destroyed. Such records may then be destroyed after the 30th day after such notice is given unless the other party objects to the destruction, in which case the party seeking to destroy the records shall deliver such records to the objecting party at the objecting party.

6.11 Further Assurances. Each Party agrees to cooperate fully with the other Parties and to execute and deliver such further documents, certificates, agreements and instruments and to take such other actions as may be reasonably requested by the other Parties to evidence or reflect the transactions contemplated hereunder and to carry out the intent and purposes of this Agreement. Upon the terms and subject to the conditions hereof, Buyer and Seller shall each use its respective reasonable best efforts to: (a) take or cause to be taken all actions and to do or cause to be done all other things necessary, proper or advisable to consummate and make effective as promptly as practicable the transactions contemplated by this Agreement and the Related Agreements; and (b) obtain in a timely manner all Consents and Registrations and effect all necessary Registrations and filings. Promptly after the Closing, the parties shall jointly notify all customers of the Products: (a) of the

consummation of the transactions contemplated by this Agreement, (b) that all purchase orders for Products issued prior to the Closing, but not shipped prior thereto will be transferred to the Buyer and (c) that all purchase orders for Products received after the Closing should be sent to the Buyer via a letter substantially similar to that set forth on Exhibit H. On and from the Closing, Seller shall provide Buyer with reasonable access, during regular business hours and upon reasonable advance notice, to (i) the officers specified in the definition of "Knowledge" herein and employees of Seller with knowledge of the Products and the Business (including for the purpose of transferring to Buyer relevant know-how and other information that is not in documented form) and (ii) such information, documents and other materials (including manufacturing instructions, SOPs, engineering specifications (e.g. specifications on tooling and testing equipment), Test Method Validations, product drawings and related information), in each case to the extent reasonably required by Buyer in connection with the Business and relating to any shared assets to be utilized by Buyer that are not included in the Purchased Assets acquired by Buyer hereunder, and Buyer and its representatives shall have the right to make copies of such information, documents and materials at their sole cost or to receive copies electronically from Seller. Notwithstanding the foregoing, Buyer shall have no right to access to any know-how, trade-secrets, technology, equipment, tooling or materials (including components or raw goods) related to the manufacture of Balloons.

6.12 **Debarment.** Each Party warrants and represents that neither it, nor any of its employees or agents, ever have been, are currently, or are the subject of a proceeding that could reasonably lead to it or such employees or agents becoming debarred, suspended, or excluded from, or otherwise ineligible to participate in from any federal, state or local healthcare program or by any federal, state, or local agency or authority or been convicted of a criminal offense that falls within the ambit of 21 U.S.C. §335a(a) or 42 U.S.C. §1320a – 7(a).

6.13 **Survival.** The covenants contained in this Section shall survive the execution and delivery of this Agreement and Closing. Those obligations, agreements and covenants of the parties that by their terms apply or are to be performed in whole or in part, after the Closing, shall survive until performed or expired pursuant to their terms.

ARTICLE VII
INDEMNIFICATION

7.1 **Indemnification.**

(a) Seller covenants and agrees, to defend, indemnify and hold harmless Buyer, its officers, directors, employees, agents, representatives and Affiliates (individually a "Buyer Indemnified Party" and collectively, the "Buyer Indemnified Parties") from and against, and pay or reimburse Buyer Indemnified Parties for, any and all Losses resulting from, relating to or arising out of:

i. any breach of any representation or warranty made by Seller in this Agreement;

ii. any failure of Seller to perform any covenant or agreement hereunder or fulfill any other obligation in respect thereto;

iii. any Excluded Liabilities or Excluded Assets;

iv. any and all Taxes of Seller and Seller's Affiliates;

v. the negligent act or omission, reckless conduct, or willful misconduct of Seller in performing its obligations under this Agreement;

vi. all Environmental Liabilities and Costs; and

vii. any product returns with respect to Products manufactured or sold prior to the Closing, except to the extent to the extent of any abuse or misuse of, or failure to properly store, any Product by Buyer or any third party;

except, in each case, to the extent such Losses are due to the negligent or fraudulent act or omission, reckless conduct, or willful misconduct of a Buyer Indemnified Party or its Affiliates and successors and assigns, and their respective employees, officers, directors, and agents.

Seller shall not be required to indemnify any Buyer Indemnified Party with respect to any claim for indemnification unless and until the aggregate amount of all Claims against Seller exceeds $75,000 ("Indemnification Deductible"), at which time all Claims in excess of the Indemnification Deductible shall be subject to recovery. Notwithstanding the foregoing, the Indemnification Deductible shall not apply to any Claims that result from or are related to Excluded Liabilities or Excluded Assets, Taxes for which Seller is responsible under this Agreement (including any breach of the representations and warranties in Section 5.12), any breach of the Seller's Fundamental Representations or Seller's fraud (collectively, the "Buyer Fundamental Claims") or any breach of any covenant herein.

(b) Buyer covenants and agrees to defend, indemnify and hold harmless Seller and its officers, directors, employees, agents, advisers, representatives and Affiliates (individually a "Seller Indemnified Party", and collectively, the "Seller Indemnified Parties") from and against any and all Losses resulting from, relating to or arising out of:

i. any breach of any representation or warranty made by Buyer in this Agreement;

ii. any failure of Buyer to perform any covenant or agreement hereunder or fulfill any other obligation in respect thereto;

iii. any Assumed Liabilities;

iv. any and all Taxes of Buyer and Buyer's Affiliates:

v. the negligent act or omission, reckless conduct, or willful misconduct of Buyer in performing its obligations under this Agreement; and

vi. all Claims by a Person arising out of the conduct of the Business by Buyer, or Buyer's ownership, operation or use of the Purchased Assets, following the Closing Date;

except, in each case, to the extent such Losses are due to the negligent or fraudulent act or omission, reckless conduct, or willful misconduct of a Seller Indemnified Party or its Affiliates and successors and assigns, and their respective employees, officers, directors, and agents.

Buyer shall not be required to indemnify any Seller Indemnified Party with respect to any claim for indemnification unless and until the aggregate amount of all Claims against Buyer exceed the Indemnification Deductible, at which time all Claims in excess thereof shall be subject to recovery. Notwithstanding the foregoing, the Indemnification Deductible shall not apply to any Claims that result from or are related to Assumed Liabilities, any breach of Buyer's Fundamental Representations, Taxes for which Buyer is responsible under this Agreement, or Buyer's fraud (collectively, the "Seller Fundamental Claims") or any breach of any covenant herein.

The indemnification obligations under this Article VII are not intended to, and do not, apply in any respect to the Related Agreements, which agreements contain discrete indemnification obligations of the Parties.

7.2 **Claims.** Any Buyer Indemnified Party or Seller Indemnified Party claiming it may be entitled to indemnification under this Article VII (the "Indemnified Party") shall give prompt notice to the other party (the "Indemnifying Party") of each Legal Proceeding, matter, action, cause of action, claim, lawsuit, demand, fact or other circumstances upon which a claim for indemnification (a "Claim") under this Article VII may be based. Such notice shall contain, with respect to each Claim, such facts and information as are then reasonably available, and the specific basis for indemnification hereunder. Failure to give prompt notice of a claim hereunder shall not affect the Indemnifying Party's obligations under this Section, except to the extent the Indemnifying Party is materially prejudiced by such failure.

(a) Except in the event of a Claim involving a criminal action, Claim related to a Contract with a customer, or Claim brought by a Government Entity, the Indemnified Party shall permit the Indemnifying Party, at the Indemnifying Party's option and expense, to assume the complete defense of any Claim by a Person, with full authority to conduct such defense and to settle or otherwise dispose of the same and the Indemnified Party will fully cooperate in such defense provided the Indemnifying Party will not, in defense of any such action, suit, proceeding, claim, demand or assessment, except with the consent of the Indemnified Party (which consent will not be unreasonably withheld), consent to the entry of any judgment or enter into any settlement which provides for any relief other than the payment of monetary damages and which does not include as an unconditional term thereof the giving by the claimant or plaintiff to the Indemnified Party of a release from all Liability in respect thereof. After notice to the Indemnified Party of the Indemnifying Party's election to assume the defense of such action, suit, proceeding, claim, demand or assessment, the Indemnifying Party shall be liable to the Indemnified Party for such legal or other expenses subsequently incurred by the Indemnified Party in connection with the defense thereof at the request of the Indemnifying Party. As to those actions, suits, proceedings, claims, demands or assessments with respect to which the Indemnifying Party does not elect to assume control of the defense, the Indemnified Party will afford the Indemnifying Party an opportunity to participate in such defense, at its cost and expense, and will consult with the Indemnifying Party prior to settling or otherwise disposing of any of the same. Notwithstanding anything to the contrary herein, with respect to any Claim asserted by a Governmental Authority relating to Taxes, the Indemnifying Party shall be entitled to participate in the defense, but the Indemnified Party shall control such defense. The Indemnified Party will not settle any such Claim without the prior consent of the Indemnifying Party, such consent not to be unreasonably withheld.

(b) In the event of a Claim that does not involve a claim by a third party against the Indemnified Party, the Indemnified Party shall send notice of a Claim to the Indemnifying Party (the "Notice of Claim"). The Notice of Claim shall set forth the amount, if known, or, if not known, an estimate of the foreseeable maximum amount of the Losses (which estimate shall not be conclusive of the final amount of such Losses) and a description of the basis for such Claim. The Indemnifying Party will have 30 days from receipt of such Notice of Claim to dispute the Claim and will reasonably cooperate and assist the Indemnified Party in determining the validity of the claim for indemnity. If the Indemnifying Party does not give notice to the Indemnified Party that it disputes such Claim within 30 days after its receipt of the Notice of Claim, the Claim will be conclusively deemed subject to indemnification hereunder.

(c) Any indemnity payment under this Agreement shall be treated as an adjustment to the Purchase Price for Tax purposes unless there is no reasonable basis for doing so under the applicable Tax Law.

(d) No Claim for a breach of representation or warranty shall be made or have any validity unless the Indemnified Party shall have given written notice of such Claim to the Indemnifying Party within the period of survival set forth in Section 5.26. So long as notice is timely given, the representation or warranty shall survive with respect to such Claim until such Claim is finally resolved.

7.3 **Indemnity Limitations.** Except in the event of a Buyer Fundamental Claim or a Seller Fundamental Claim or breach of covenant, the total limit of liability for any Indemnifying Party to an Indemnified Party shall not exceed $1.5 million and the total limit of liability for any Indemnifying Party to an Indemnified Party in respect of (i) Seller's breach of the Sufficiency Representation or (ii) any breach of covenant shall not exceed the Purchase Price. **TO THE MAXIMUM EXTENT ALLOWED BY APPLICABLE LAW, WITH RESPECT TO ANY CLAIM BY A PARTY AGAINST THE OTHER PARTY ARISING UNDER THIS AGREEMENT, THE PARTIES EXPRESSLY AGREE THAT IN NO EVENT SHALL A PARTY BE LIABLE FOR PUNITIVE, MULTIPLE OR EXEMPLARY DAMAGES EXCEPT IN THE EVENT OF FRAUD OR TO THE EXTENT THE INDEMNIFIED PARTY IS LIABLE TO AN UNAFFILIATED THIRD-PARTY FOR SUCH PUNITIVE, MULTIPLE OR EXEMPLARY DAMAGES AS A RESULT, AND TO THE EXTENT, OF THE INDEMNIFYING PARTY'S ACTIONS OR CONDUCT.**

7.4 **Exclusive Remedy.** The indemnification obligations of the Parties hereto are the exclusive remedy of Buyer and Seller hereunder for any claim or breach or alleged breach of this Agreement, except in the case of fraud and in respect of any breach(es) of Section 6.7 (Restrictive Covenants) hereof with respect to which a Party may seek to obtain equitable relief. Subject to the preceding sentence and the exceptions 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 VII and the right to enforce those indemnification rights in the event of any breach of this Article VII and acknowledges that this is a material inducement for each Party to enter into this Agreement.

ARTICLE VIII
GENERAL PROVISIONS

8.1 **Entire Agreement; No Third-Party Beneficiaries; Amendment; Waiver; Remedies.** This Agreement (including the exhibits and schedules attached hereto) and other documents executed and delivered at the Closing pursuant hereto, contain the entire understanding of the Parties in respect of the subject matter hereof and thereof and supersede all prior agreements, representations, warranties, covenants and understandings (oral or written) between or among the Parties with respect to such subject matter. This Agreement is not intended to confer upon any Person, other than the Parties, any rights or remedies hereunder. This Agreement may not be modified, amended, supplemented, canceled

or discharged and no waiver hereunder may be granted, except by written instrument executed by all of the Parties. No failure to exercise, and no delay in exercising, any right, power or privilege under this Agreement shall operate as a waiver, nor shall any single or partial exercise of any right, power or privilege hereunder preclude the exercise of any other right, power or privilege. No waiver of any breach of any provision shall be deemed to be a waiver of any preceding or succeeding breach of the same or any other provision, nor shall any waiver be implied from any course of dealing between the Parties. No extension of time for performance of any obligations or other acts hereunder or under any other agreement shall be deemed to be an extension of the time for performance of any other obligations or any other acts.

8.2 **Notices.** All notices, requests, demands, claims, and other communications hereunder shall be in writing, shall be delivered in person, by email or by a nationally recognized overnight delivery and shall be deemed given (a) when delivered in person, (b) on the business day sent by email, if sent before 5 p.m. ET on such business day, and if sent after 5 p.m. ET, on the next business day, or (c) the business day after delivered to a nationally recognized overnight courier (postage pre-paid) for next business day delivery, in each case, at the following addresses (or at such other addresses as a Party shall designate by written notice to the other Party pursuant to this Section):

If to Seller:

LeMaitre Vascular, Inc.
Attn: Legal Dept.
63 Second Avenue
Burlington, Massachusetts 01803
With a copy by email to: legal@lemaitre.com

If to Buyer:

Specialty Surgical Instrumentation, Inc.
Attn: Chief Executive Officer
3034 Owen Drive
Antioch, TN 37013

With a copy to:

RoundTable Healthcare Partners
272 East Deerpath Rd
Lake Forest IL 60045
Attention: R. Craig Collister
With copy to: Phillip Smith

8.3 **Expenses.** In connection with this Agreement or any transaction contemplated hereby, each Party shall pay its respective expenses, including, but not limited to, legal, accounting, brokers' and investment banking fees and expenses.

8.4 **Binding Effect; Assignment.** The rights and obligations of this Agreement shall bind and inure to the benefit of the Parties and their respective successors and permitted assigns and shall be enforceable by any such successors and assigns. This Agreement and any rights and obligations hereunder may not be assigned by either Party without the prior written consent of the other Party, which will not be unreasonably withheld. Any purported assignment in violation of the preceding sentence will be void *ab initio*. Notwithstanding the foregoing, either Party may assign this Agreement freely to any party that acquires more than 50% of its voting rights, equity or assets.

8.5 **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one and the same instrument. A facsimile or digital image of a signature (such as a .pdf file) of any Party shall be considered to have the same binding legal effect as an original signature.

8.6 **Severability.** If any word, phrase, sentence, clause, section, subsection or provision of this Agreement as applied to either Party or to any circumstance is adjudged by a court to be invalid or unenforceable, the same will in no way affect any other circumstance or the validity or enforceability of any other word, phrase, sentence, clause, section, subsection or provision of this Agreement.

8.7 **Interpretation.** When a reference is made in this Agreement to an article, section, paragraph, clause, schedule or exhibit, such reference shall be deemed to be to this Agreement unless otherwise indicated. The headings contained herein and on the schedules are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement or the schedules. Whenever the words “include,” “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation.” As used herein, words in the singular will be held to include the plural and vice versa (unless the context otherwise requires), words of one gender shall be held to include the other gender (or the neuter) as the context requires, and the terms “hereof”, “herein”, and “herewith” and words of similar import will, unless otherwise stated, be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement. Any reference to any federal, state, local, or foreign statute or Law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise.

8.8 **Arm’s Length Negotiations; Construction**. Each Party herein expressly represents and warrants to the other Party hereto that (a) before executing this Agreement, said Party has fully informed itself of the terms, contents, conditions and effects of this Agreement; (b) said Party has relied solely and completely upon its own judgment in executing this Agreement; (c) said Party has had the opportunity to seek and has obtained the advice of its own legal, tax and business advisors before executing this Agreement; and (d) this Agreement is the result of arm’s length negotiations conducted by and among the Parties and their respective counsel. The Parties agree and acknowledge that they, and their respective legal counsel, have jointly participated in the negotiation and drafting of this Agreement. In the event of an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumptions or burdens of proof shall arise favoring any Party by virtue of the authorship of any of the provisions of this Agreement.

8.9 **Governing Law and Venue.** This Agreement shall be deemed to be made in and in all respects shall be interpreted, construed and governed by and in accordance with the law of the State of Delaware, without regard to the conflict of law principles thereof. The Parties hereby irrevocably submit to the exclusive

jurisdiction of the courts located in the Commonwealth of Massachusetts in respect of the interpretation and enforcement of the provisions of this Agreement and of the documents referred to in this Agreement, and in respect of the transactions contemplated hereby, and hereby waive, and agree not to assert, as a defense in any action, suit or proceeding for the interpretation or enforcement hereof or of any such document, that it is not subject thereto or that such action, suit or proceeding may not be brought or is not maintainable in said courts or that the venue thereof may not be appropriate or that this Agreement or any such document may not be enforced in or by such courts, and the Parties hereto irrevocably agree that all claims with respect to such action or proceeding shall be heard and determined in such a Massachusetts state or federal court. The Parties hereby consent to and grant any such court jurisdiction over the person of such Parties and over the subject matter of such dispute and agree that mailing of process or other papers in connection with any such action or proceeding in the manner provided herein or in such other manner as may be permitted by applicable Law, shall be valid and sufficient service thereof.

8.10 **Exhibits and Schedules.** Any matter, information or item disclosed in this Agreement or the Disclosure Schedules delivered by a Party or in any of the schedules or exhibits attached hereto, under any specific representation, warranty, or covenant shall be deemed to have been disclosed for all purposes of this Agreement in response to every representation, warranty or covenant in this Agreement in respect of which such disclosure is reasonably apparent on its face. The inclusion of any matter, information or item in any schedule to this Agreement shall not be deemed to constitute an admission of any liability to any third party or otherwise imply, that any such matter, information or item is material or creates a measure for materiality for the purposes of this Agreement or otherwise.

8.11 **No Other Warranties, Representations, Covenants or Duties.** Buyer acknowledges that it has conducted such due diligence investigation of Seller and the Business and affairs as it considers appropriate. Except as expressly provided in this Agreement or the Related Agreements, the Parties disclaim any express or implied warranties, representations, covenants or duties in connection herewith.

8.12 **Public Statements.** The Parties shall consult with each other before issuing any press release with respect to this Agreement or the transactions contemplated hereby, and no Party shall issue any press release 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. Buyer acknowledges that Seller may be required to file this Agreement and one or more of the agreements contemplated by this Agreement with the United States Securities and Exchange Commission and Seller acknowledges and agrees that Buyer may freely include information regarding the Products and Purchased Assets acquired hereunder on its web site and communicate such information to customers.

8.13 **Definitions.** The following capitalized terms have the meanings set forth below.

"Affiliate," with respect to a Party, shall mean any corporate or other entity that, directly or indirectly, controls, is controlled by, or is under common control with such Party, where "control" means the ownership of not less than fifty percent (50%) of the voting shares of a corporation, or not less than fifty percent (50%) of the decision-making authority as to such other unincorporated entity, provided that such entity shall be an Affiliate only so long as such control exists.

"Assumed Liabilities" means (i) any Taxes relating to the Products or the Purchased Assets attributable to any period or partial period after the Closing Date; (ii) any product liability or warranty claims or any claim for injury to any person or property involving any Product (other than the Finished Goods, provided that such Finished Goods have not been abused or misused, or improperly stored by Buyer or any third party) or any other obligation under this Agreement arising out of acts, omissions or events occurring after the Closing Date; (iii) any liability, obligations, and commitments related to promotional and marketing activities for the Products performed after the Closing Date, including the development, distribution and use of any sales aids or promotional materials; (iv) all liabilities, obligations, claims, causes of action, and litigation involving or related to the Purchased Assets (other than the Finished Goods, provided that such Finished Goods have not been abused or misused, or improperly stored by Buyer or any third party), or use thereof, arising after the Closing Date; and (v) all liabilities obligations, claims, causes of action, and litigation involving or related to Product manufactured by Buyer or on behalf of Buyer (other than by Seller) after the Closing Date.

"Authorization" means any authorization, approval, consent, certificate, license, permit or franchise of or from any Governmental Authority or pursuant to any Law, including by not limited to 510(k) and similar FDA approvals.

"Balloon" means the balloon comprising a part of the Reddick Cholangiogram Catheter.

"Books and Records" means books of account, general, financial, warranty and shipping records, invoices, supplier lists, product specifications, product formulations, drawings, correspondence, engineering, maintenance, operating and production records, advertising and promotional materials and other documents, records and files, in each case exclusively Related to the Business, including but not limited to books and records relating to the Purchased Assets and the Seller's Intellectual Property.

"Business" means the manufacture and sale of the Products as such business has been conducted within the six (6) months prior to and including the Closing Date.

"Contract" means any agreement, contract or understanding, written or oral, including any sales order or customer purchase order Related to the Business.

"Environmental Requirements" shall mean CERCLA, and all other Laws and similar provisions having the force and effect of law concerning pollution, contamination or protection of the environment, as the foregoing are enacted and in effect prior to, or on the Closing Date.

"GAAP" means generally accepted accounting principles in the United States.

"Governmental Authority" means any nation or government, state, regional, local or other political subdivision thereof, and any entity or official exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Hazardous Materials" means any hazardous, infectious or toxic substance, chemical, pollutant, contaminant, emission or waste which is or becomes regulated by any local, state, federal or foreign authority. Hazardous Materials include, without limitation, anything which is: (a) defined as a "pollutant" pursuant to 33 U.S.C. § 1362(6); (b) defined as a "hazardous waste" pursuant to 42 U.S.C. § 6921; (c) defined as a "regulated substance" pursuant to 42 U.S.C. § 6991; (d) defined as a "hazardous substance" pursuant to 42 U.S.C. § 9601(14); (e) defined as a "pollutant or contaminant" pursuant to 42 U.S.C. § 9601(33); (f) any petroleum products; (g) asbestos or asbestos containing materials; and (h) polychlorinated biphenyls.

"Indebtedness" means any of the following: (a) any indebtedness for borrowed money, (b) any obligations evidenced by bonds, debentures, notes or other similar instruments, (c) any obligations to pay the deferred purchase price of property or services, except trade accounts payable and other current obligations arising in the ordinary course of the Business, (d) any obligations as lessee under capitalized

leases, (e) any indebtedness created or arising under any conditional sale or other title retention agreement with respect to acquired property, (f) any obligations, contingent or otherwise, under acceptance credit, letters of credit (whether drawn upon or not) or similar facilities, (g) any legal fees, arbitration expenses, court costs, experts' fees and attorney's fees and other costs and expenses related to legal disputes, (h) any guaranty of any of the foregoing, (i) all obligations and liabilities secured by any Lien (other than Permitted Liens) upon any Purchased Assets; (j) all accrued interest, fees, costs, premiums, expenses, reimbursements, indemnities, breakage costs, penalties or the employer portion of any payroll taxes, if any, and all other amounts payable at or as a result of the Closing in connection with any of the foregoing; k) any customer prepayments; and l) any obligations to employees or former employees for payroll, severance, or other payments.

"Intellectual Property" means: (i) inventions (whether or not patentable), Trade Secrets, technical data, databases, customer lists, designs, tools, methods, processes, technology, ideas, know-how, source code, product road maps and other proprietary information and materials ("Proprietary Information"); (ii) Trademarks and service marks (whether or not registered), trade names, logos, trade dress and other proprietary indicia and all goodwill associated therewith; (iii) documentation, advertising copy, marketing materials, websites, specifications, drawings, graphics, databases, recordings and other works of authorship, whether or not protected by Copyright; (iv) computer programs, including any and all software implementations of algorithms, models and methodologies, whether in source code or object code, design documents, flow-charts, user manuals and training materials relating thereto and any translations thereof (collectively, "Software"); and (v) all forms of legal rights and protections that may be obtained for, or may pertain to, the Intellectual Property set forth in clauses (i) through (iv) in any country of the world ("Intellectual Property Rights"), including applications, USPTO filings, all registered and unregistered copyrights in both published and unpublished works ("Copyrights"), all Trademarks (including but not limited to those set forth on Exhibit 1.1(b), service marks and other proprietary indicia (whether or not registered), Trade Secret rights, moral rights or other literary property or authors rights, and all applications, registrations, issuances, divisions, continuations, renewals, reissuances and extensions of the foregoing.

"Knowledge" means in the case of Seller, the actual knowledge, with respect to any fact or matter, what is known or, with reasonable inquiry should have been known, to Laurie Churchill (SVP and General Counsel), Andrew Hodgkinson (SVP, Clinical, Regulatory and Quality Affairs), Dave Roberts (President) and Trent Kamke (SVP, Operations) at the time of any representation, statement or disclosure made by Seller in this Agreement.

"Law" means any statute, law, ordinance, regulation, rule, code, order, writ, constitution, treaty, common law, judgment, decree, other requirement or rule of law of any Governmental Authority.

"Legal Proceeding" shall mean any action, suit, litigation, arbitration, proceeding (including any civil, criminal, administrative, investigative or appellate proceeding), hearing, inquiry, audit, examination or investigation commenced, brought, conducted or heard by or before, or otherwise involving, any court or other Governmental Authority or any arbitrator or arbitration panel.

"Lien" means any mortgage, pledge, security interest, encumbrance, lien, transfer restriction, right of first refusal, pre-emptive right, claim, adverse claim or charge of any kind.

"Losses" means all losses, liabilities, demands, claims, suits, actions, interest, fines, penalties, damages, deficiencies, costs (including court costs and arbitration costs) and expenses (including reasonable attorneys' fees and experts' and other advisors' fees).

"Ordinary Course of Business" means such actions taken in the ordinary course of Seller's normal operations related to the Products and consistent in nature, scope and magnitude with its past, normal and customary practices.

"Permitted Liens" means: (a) Liens for Taxes not yet due, payable or delinquent or for Taxes that the taxpayer is contesting in good faith through appropriate proceedings, (b) workers', carriers' and mechanics' or other like Liens incurred in the Ordinary Course of Business with respect to which payment is not due and that do not impair the conduct of the Business or the present or proposed use, value or marketability of the affected property; and (c) Liens that are immaterial in character, amount, and extent and which do not detract from the value or marketability or interfere with the present or proposed use of the properties they affect.

"Person" means an individual, partnership, corporation, business trust, joint stock company, estate, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

"Registrations" means the authorizations, approvals, consents, certificates, licenses, permits, registrations, (including but not limited to 510(k) and CE marks) and all other authorizations of any Governmental Authority necessary to manufacture, distribute, sell or market Products that are set forth in Schedule 1.1(a).

"Related Agreements" means the Transition Services Agreement, Bill of Sale, Trademark Assignment, Balloon Supply Agreement, Quality Agreement and all other agreements entered into by the Parties hereunder or in conjunction with effectuating the goals of this Agreement.

"Related to the Business" means used, held for use or acquired or developed for use in the Business or otherwise relating to, or arising out of, the operation or conduct of the Business.

"Seller Marks" means all Seller trademarks, service marks and trade names other than those listed on Schedule 1.1(b).

"Taxes" means all taxes, fees, charges, or other assessments, including, but not limited to, sales, value added, income, excise, property, sales, use, payroll, franchise, intangible, withholding, social security and unemployment taxes imposed by any federal, state, local or foreign governmental agency, and any interest or penalties related thereto.

"Tax Returns" means any return, declaration, report, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

"Taxing Authority" means any Governmental Entity having jurisdiction with respect to any Tax.

"Transferred Know-How" means all know-how, trade secrets, and technology to the extent directly and specifically related to the manufacture, registration, marketing, distribution or sale of the Products, but excluding all know-how, trade secrets, and technology related to the manufacture of Balloons.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed as of the date hereof.

SELLER:

LEMAITRE VASCULAR, INC.

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

BUYER:

SPECIALTY SURGICAL INSTRUMENTATION, INC.

By: Scott Kunkel
Name: Scott Kunkel
Title: Chief Financial Officer

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
(Principal Executive Officer)

Date: May 4, 2018

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 and Director
(Principal Accounting and Financial Officer)

Date: May 4, 2018

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 March 31, 2018 (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
(Principal Executive Officer)
May 4, 2018

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 March 31, 2018 (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 and Director
(Principal Accounting and Financial Officer)
May 4, 2018