

Candela Medical, Inc.

CODE OF BUSINESS CONDUCT AND ETHICS

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TABLE OF CONTENTS

| | <u>Page</u> |
|---|-------------|
| CANDELA CODE OF BUSINESS CONDUCT AND ETHICS..... | 1 |
| POLICY STATEMENT | 1 |
| APPROVALS AND WAIVERS | 2 |
| CONFLICTS OF INTEREST..... | 2 |
| Indirect Interests and Relationships..... | 2 |
| Activities Outside the Company | 2 |
| Community Activities..... | 3 |
| Service on Outside Boards of Directors..... | 3 |
| Competitor Relationships..... | 3 |
| Corporate Opportunities & Resources | 4 |
| BUSINESS RELATIONSHIPS | 4 |
| Customer Relationships | 4 |
| Suppliers..... | 4 |
| Contracts and Commitments..... | 5 |
| FAIR COMPETITION | 5 |
| COMPLIANCE WITH APPLICABLE GOVERNMENTAL LAWS, RULES AND REGULATIONS..... | 5 |
| QUALITY POLICY..... | 5 |
| INSIDER TRADING..... | 6 |
| FOREIGN CORRUPT PRACTICES ACT..... | 6 |
| GIFTS, MEALS, ENTERTAINMENT AND OTHER HOSPITALITY | 7 |
| LOANS..... | 8 |
| INVESTMENT ACTIVITIES | 8 |
| PROHIBITION ON CORRUPTION AND BRIBERY | 9 |
| DOING BUSINESS INTERNATIONALLY | 9 |
| ACCURACY OF REPORTS, RECORDS AND ACCOUNTS | 10 |
| COMPANY REPORTING AND PUBLIC COMMUNICATIONS | 10 |
| GOVERNMENT INVESTIGATIONS | 11 |

| | |
|---|----|
| COMMUNICATIONS WITH THIRD PARTIES..... | 11 |
| Communications with the Media and the Financial Community | 11 |
| Confidential Information | 12 |
| TECHNOLOGY USE AND PRIVACY | 13 |
| Authorization..... | 13 |
| Prohibition Against Violating Copyright Laws | 13 |
| Email and Internet..... | 13 |
| Other Prohibited Uses | 14 |
| Electronic Databases of the Company..... | 14 |
| POLITICAL ACTIVITIES AND CONTRIBUTIONS | 14 |
| USE AND PROTECTION OF COMPANY ASSETS..... | 14 |
| OUR WORK ENVIRONMENT..... | 15 |
| COMPLIANCE AND REPORTING | 15 |
| Compliance..... | 15 |
| Disciplinary Action..... | 15 |
| Reporting Procedures and Other Inquiries..... | 16 |
| ACKNOWLEDGEMENT | 18 |

CANDELA MEDICAL, INC.

CODE OF BUSINESS CONDUCT AND ETHICS

POLICY STATEMENT

It is the policy of Candela Medical, Inc. and its affiliates (the “Company”) to conduct its affairs in accordance with all applicable laws, rules and regulations of the jurisdictions in which it does business. This Code of Business Conduct and Ethics (the “Code”) applies globally to all directors, officers, employees and consultants associated with or acting on behalf of the Company. In the case of the Company’s non-employee directors, compliance with this Code is subject to provisions of the Company’s amended and restated certificate of incorporation, amended and restated bylaws and any stockholders’ agreement with the Company.

This Code is designed to promote:

- Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- Full, fair, accurate, timely and understandable disclosure in the reports and documents the Company files with, or submits to, the Securities and Exchange Commission (the “SEC”) and other governmental authorities and in public communications made by the Company;
- Compliance with all applicable governmental laws, rules and regulations;
- The prompt internal reporting to the appropriate person of violations of this Code; and
- Accountability for adherence to this Code of all individuals to whom it applies.

The Company has established various standards for ethical behavior that affects the Company and encourages employees to talk to supervisors, managers, the Company’s Compliance Officer, the Company’s Human Resources Department (the “HR Department”) and/or other appropriate personnel when in doubt about the best course of action in a particular situation. Anyone aware of a situation that he or she believes may violate or lead to a violation of a provision of this Code should follow the guidelines under “*Compliance and Reporting*” below.

This Code covers a wide range of business practices and procedures. It does not cover every issue that may arise, but it sets out basic principles to guide you. All those covered should apply common sense and sound judgment and not hesitate to consult management and use the resources available at the Company whenever it is necessary to seek clarification.

APPROVALS AND WAIVERS

Certain provisions of this Code require you to act, or refrain from acting, unless prior approval or a waiver is received from the appropriate person. Employees requesting such approval or waiver pursuant to this Code must address their requests to the Company's Compliance Officer (the contact information for whom is provided on page [15] of this Code). The Company's Board of Directors alone may grant approvals or waivers for directors and executive officers and any such waiver will be promptly disclosed as required by law or stock exchange regulation. All other approvals and waivers may be granted by the Compliance Officer, or the Compliance Officer's designee. Changes in this Code may be made by the Company from time to time.

CONFLICTS OF INTEREST

A conflict of interest arises when personal interests interfere with an individual's ability to act in the best interest of the Company. All directors and employees must discharge their responsibilities in consideration of the Company's best interests, independent of any personal considerations or relationships.

Employees who suspect that a conflict of interest has arisen or may arise must disclose the potential conflict of interest to the Compliance Officer or the Compliance Officer's designees, who will advise the employee as to whether the Company believes a conflict of interest exists. Directors must disclose any concerns regarding any actual or potential conflicts of interest to the Chairman of the Company's Nominating and Governance Committee.

Indirect Interests and Relationships

A conflict of interest can arise because of the business activities of an employee's spouse, siblings, parents, in-laws, children, and anyone residing in the employee's home ("Close Relatives"). For example, an employee may have a potential conflict of interest whenever a Close Relative has a significant relationship with, or has a significant financial interest in, any supplier, customer, or competitor.

An employee may not make or attempt to influence any Company decision that could directly or indirectly benefit any of his or her Close Relatives. To protect employees and the Company from even the appearance of conflicts of interest, employees must disclose actual or potential conflicts of interest involving Close Relatives to the Compliance Officer or the Compliance Officer's designee.

Activities Outside the Company

Although the Company has no interest in preventing employees from engaging in lawful activities during nonworking hours, employees must make sure that their outside activities do not conflict or interfere with their responsibilities to the Company. For example, without approval from both (1) the Compliance Officer or the Compliance Officer's designee and (2) the employee's supervisor, a Company employee may not:

- Engage in self-employment or perform paid or unpaid work for others in a field of interest similar to that of the Company;
- Use proprietary or confidential Company information for personal gain or to the Company's detriment;
- Use Company assets or labor for personal use, except for incidental use permitted under the Company's policies;
- Acquire any interest in property or assets of any kind for the purpose of selling or leasing it to the Company; or
- Represent or appear to represent the Company as a participant in an outside activity unless authorized to do so by the Company.

Community Activities

The Company encourages all employees to be actively involved in their communities through volunteer service to charitable, civic and public service organizations, and through participation in the political process and trade associations.

Employees must make sure, however, that their service is consistent with their employment with the Company and does not pose a conflict of interest. This is particularly important before accepting any leadership position (such as membership on the board of a charitable or civic organization), before seeking or accepting political office, and before soliciting a charitable contribution.

Please see the Company's Anti-Corruption and Anti-Bribery Policy for additional information regarding interactions with politicians, political parties, candidates for office and charitable contributions.

Service on Outside Boards of Directors

Serving as a director of another corporation may create a conflict of interest. Employees must disclose all such service to the Compliance Officer or the Compliance Officer's designee and must obtain prior approval before serving on the board of another company whose interests may be adverse to the Company's or that may require a significant amount of time.

Competitor Relationships

Employees should avoid even the appearance of a conflict of interest in their relationships with competitors. Without prior approval from the Compliance Officer or the Compliance Officer's designee, employees may not:

- Make or maintain a financial investment in a competitor, except for investments in a publicly traded corporation not exceeding the greater of \$100,000 or 0.5 % of the outstanding common stock of such corporation;

- Provide compensated or uncompensated services to a competitor, except for services rendered under a valid Company contract with the competitor;
- Disclose any Company proprietary information to a competitor, unless in furtherance of the employee's job responsibilities and a nondisclosure agreement executed by the Company and the competitor is in place; or
- Utilize for any unauthorized purposes or disclose to a competitor or other third-party any proprietary data that has been entrusted to the Company by a customer or supplier.

Corporate Opportunities & Resources

Employees are prohibited from directly or indirectly taking for themselves opportunities, payments, or anything of value that are discovered through or result from the use of corporate property, information, or position without prior approval. Without prior approval, employees may not use corporate property, information or employment for personal gain. No employee may compete with the Company, directly or indirectly, except as permitted by Company policies.

BUSINESS RELATIONSHIPS

The Company seeks to outperform its competition fairly and honestly. The Company seeks competitive advantages through superior performance, not unethical or illegal business practices. Each employee must endeavor to deal fairly with the Company's customers, suppliers, competitors, and employees and must not take advantage of them through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any unfair business practice.

Customer Relationships

The Company's customers are of the utmost importance to us. Employees must treat customers and potential customers according to the highest standards of business conduct.

It is the Company's policy to sell our products on their merits and to avoid making disparaging comments about the products of competitors unless they can be substantiated. Employees should not comment upon the character, financial condition, or potential legal or regulatory problems of competitors.

Suppliers

Our suppliers – companies that sell products or provide leasing and other services to us – are important to our business. Employees should always treat suppliers and potential suppliers in accordance with the highest standards of business conduct.

Suppliers must be selected on the basis of objective criteria, such as value (quality for price), price, technical excellence, service reputation, and production/service capacity.

Employees working with current suppliers must never intentionally interfere with a supplier's contracts or business relations with a competitor of the Company.

Individuals with procurement responsibility should review the sections of this Code concerning fair competition and should be familiar with applicable laws and Company policies. Questions may be referred to the Compliance Officer or the Compliance Officer's designee, the Legal Department or the HR Department.

Contracts and Commitments

Employees may not enter into any contract binding the Company without authorization and legal review. The Company has instituted contract and signature approval policies that identify the individuals who have the authority to approve and sign certain contracts binding the Company and any of its subsidiaries. Questions about which employees have signature authority for a given contract should be directed to contact the Finance Department.

Employees involved in proposals, bid preparations or contract negotiations must ensure that all statements, communications, and representations to prospective customers are truthful and accurate.

FAIR COMPETITION

Fair competition laws, including the U.S. antitrust rules, limit the activities that the Company can engage in on its own or in concert with other companies. Generally, antitrust laws prohibit agreements or actions that reduce competition and harm consumers. Employees may not enter into agreements or discussions with competitors that have the purpose or effect of fixing or controlling prices, dividing and allocating markets or territories, or boycotting suppliers or customers.

A violation of antitrust laws is a serious offense. In the United States, it is not uncommon for individuals to be criminally prosecuted. Employees and directors must report to the Compliance Officer or the Compliance Officer's designee any known, suspected or potential antitrust violations, including instances in which anti-competitive discussions or contracts are initiated by other companies.

COMPLIANCE WITH APPLICABLE GOVERNMENTAL LAWS, RULES AND REGULATIONS

The Company and its employees and directors must comply with all U.S. and non-U.S. laws, rules and regulations applicable in any country, state and local jurisdiction where the Company conducts business, including, without limitation, insider trading laws, antitrust laws, laws prohibiting the payment or receipt of bribes, and other fair competition laws.

QUALITY POLICY

The Company is committed to complying with and maintaining an effective Quality Management System and shall ensure that relevant policies are understood, implemented and maintained at all levels of the organization.

The Company strives to meet the following three C's:

- The Company strives to develop, manufacture and deliver world class aesthetic products and services that exceed **Customer** and patient expectations.
- The Company strives to provide **Continuous** improvements of processes and products.
- The Company strives to **Comply** with worldwide applicable Regulatory and Quality standards.

INSIDER TRADING

Federal securities laws generally prohibit trading in the securities of a company if you are aware of “inside” information. These transactions are commonly known as “insider trading”. It is also generally illegal to recommend to others (commonly called “tipping”) that they buy, sell or retain the securities of a company to which such inside information relates. This includes any communication providing inside information on social media or other internal or external Internet platforms. Anyone violating these laws is subject to personal liability and could face significant fines and criminal penalties, including imprisonment.

The prohibition applies to Company securities and to securities of other companies if you learn material nonpublic information about other companies, such as the Company's customers, vendors, competitors or acquisition targets, as a result of your relationship to the Company.

Information is generally considered “material” if a reasonable investor would consider it important in deciding whether to buy, sell, or hold a security. The information may concern the Company or another company and may be positive or negative. You should assume that information that would affect one's consideration of whether to trade, or which might tend to influence the price of the security, is material. Information is generally considered “non-public” until it has been broadly disclosed to the marketplace (such as through a public filing with the SEC or the issuance of a press release) and the marketplace has had time to absorb the information

Please see the Company's Securities Trading Policy for additional information.

FOREIGN CORRUPT PRACTICES ACT

Company directors, employees and all persons conducting business with or on behalf of the Company in any form, are required to comply fully with the United States Foreign Corrupt Practices Act as amended, and with any other applicable anti-corruption laws. Accordingly, all such persons are not permitted to give or offer anything of value (including gifts, hospitality, or entertainment) to anyone for the purpose of improperly obtaining or retaining a business advantage. Similarly, all such persons may not solicit or accept such improper payments.

Please see the Company's Anti-Corruption and Anti-Bribery Policy for additional information.

GIFTS, MEALS, ENTERTAINMENT AND OTHER HOSPITALITY

The purpose of business hospitality is to create goodwill and sound working relationships, when appropriate per local custom — never to gain an unfair or improper advantage. It is never permissible to pay for even modest meals or entertainment for a corrupt purpose or to gain an improper advantage.

Giving or receiving nominal and appropriate gifts, meals, entertainment or other hospitality is permissible as long as such hospitality is of moderate value, is reasonable and customary under the circumstances, is given openly and transparently and complies with all applicable laws and internal requirements.

Gifts, meals, entertainment and other hospitality may never be used as a bribe or as a pretense or cover for making an improper payment of the nature prohibited by this Policy. This prohibition applies equally to government officials and to representatives of commercial organizations.

Provided that a gift, meal, entertainment expense or other hospitality meets the criteria above, and does not involve a government official, Company representatives may spend up to a value of US \$100 per person without needing to obtain prior written approval from the Legal Department. If a Company representative wishes to provide a gift, meal, entertainment or other hospitality exceeding US \$100 per person, or in *any* amount when provided to a government official, the Company representative must obtain prior written approval from the Legal Department.

For all gift, meal, entertainment and hospitality expenses, regardless of amount, Company representatives are required to promptly and accurately report the expense; to provide receipts and other supporting documentation; and to list the names and titles of the individuals and the agencies/organizations with which they are affiliated. Company representatives may also be asked to certify compliance with this Code at the time reimbursement is sought.

Certain types of gifts, meals and entertainment are *never* permissible. Some examples of these types of impermissible payments include:

- ✘ Gifts, meals, entertainment or other things of value that are given or offered for something in return
- ✘ Gifts, meals, entertainment or other things of value that may have, or that may be seen as having, a material effect on any prospective Company business transaction, or that may otherwise give rise to a conflict of interest
- ✘ Gifts, meals, entertainment or other things of value involving parties involved in a competitive bidding process where the Company is bidding
- ✘ Gifts, meals, entertainment or other things of value that are illegal or known to be prohibited by the recipient's organization

- ✘ Gifts, meals, entertainment or other things of value that are provided without complete and open transparency
- ✘ Any gift of cash or cash equivalents (for example, gift cards, gift certificates, loans, shares, and share options)
- ✘ Frequent or repeated gifts, meals, entertainment or other things of value given to the same individual or organization
- ✘ Excessive or extravagant gifts, meals, entertainment or other things of value and any inappropriate gifts, meals, entertainment, or other things of value that may adversely affect the Company's reputation

Note that this Code applies even if reimbursement is not being sought for the expenses. In other words, paying a meal or entertainment expense out of your own pocket does not avoid the requirements of this Code.

Company representatives must not accept, or permit any member of their immediate family to accept any gifts, gratuities or other favors from any customer, supplier or other person doing or seeking to do business with the Company, other than items of nominal value. Any gifts that are not of nominal value should be returned immediately and reported to your supervisor. If immediate return is not practical, they should be given to the Company for charitable disposition.

If you have any questions regarding whether an expense is proper, contact the Legal Department for guidance prior to providing the gift, meal, entertainment or thing of value.

LOANS

Directors and employees may not accept loans from any person or entity having or seeking business with the Company. Directors and employees will not receive loans from the Company, nor will the Company arrange for any such loan.

INVESTMENT ACTIVITIES

Unless an employee has sought and received pre-approval from the Legal Department, employees may not:

- Participate in so-called "directed shares," "friends and family," and similar stock purchase programs of customers, vendors or suppliers of the Company;
- Invest in non-public companies that are, or are likely to be, customers, vendors or suppliers of the Company; or
- Invest in non-public companies in which the Company is expected to make an investment.

PROHIBITION ON CORRUPTION AND BRIBERY

The Company prohibits all forms of corruption and bribery by all Company representatives and any third parties engaged to perform activities or provide goods or services on the Company's behalf.

All Company representatives are prohibited from giving, offering, promising, soliciting or receiving anything of value to improperly influence a decision affecting the Company's business. This prohibition applies to interactions with all individuals and entities, including government officials and government entities (as defined below), and private individuals, entities and groups. Stricter requirements may be imposed in certain jurisdictions or by certain business counterparties. If a government, counterparty, or local market imposes greater restrictions than those set forth in this Code, Company representatives must comply with those stricter requirements.

This Code also prohibits indirect payments or things of value intended to improperly influence the recipient. Giving, offering, promising, soliciting or receiving anything of value from or to a relative, spouse, or colleague of a government official or private individual to improperly influence that person, or any person or entity with whom they are affiliated, is a form of bribery and is strictly prohibited.

Considering the foregoing, if requested to offer, pay, give, accept or, in general, do anything that may be deemed as a bribe or any other kind of corrupt practice, the Company representative must absolutely refuse to do so and also report the request or conduct to the Compliance Officer or the Compliance Officer's designee.

DOING BUSINESS INTERNATIONALLY

The Company is committed to complying with all relevant international trade restrictions and import/export laws.

The Company is committed to the highest ethical business conduct standards wherever it operates. The Company observes these standards worldwide, even at the risk of losing business. While no one can anticipate all the situations that may present challenges to Company employees doing business in the worldwide marketplace, the following guidelines always apply:

- Be aware of, and comply with, all applicable laws and regulations relating to international trade, if your group is involved in products that travel across borders.
- Paying or receiving bribes or kickbacks is absolutely prohibited, even if those bribes or kickbacks are common practice. Employees and directors may not give, offer, request or receive anything of value (including gifts, hospitality, or entertainment) to anyone for the purpose of improperly obtaining or retaining a business advantage. Do not cooperate with illegal boycotts.
- Observe all licensing requirements and the requirements of applicable import and export control laws.

ACCURACY OF REPORTS, RECORDS AND ACCOUNTS

Every employee is responsible for the accuracy of her or his records, time sheets and reports. Accurate information is essential to the Company's ability to meet legal and regulatory obligations and to operate effectively and efficiently. The records and books of account of the Company must meet the highest standards and accurately reflect the true nature of the transactions they record. Destruction of any records, books of account, or other documents, except in accordance with the Company's document retention policy, is strictly prohibited.

Employees must not create false or misleading documents or accounting, financial or electronic records for any purpose relating to the Company, and no one may direct an employee to do so. For example, expense reports must document accurately expenses actually incurred in accordance with Company policies. Employees must not obtain or create "false" invoices or other misleading documentation or invent or use fictitious entities, sales, purchases, services, loans or other financial arrangements for any purpose relating to the Company. Employees also must accurately report time worked.

It is of critical importance that the Company's filings with any governmental authority and all public disclosures be accurate and timely. To that end, all of the Company's books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect the Company's transactions, and must conform to applicable legal requirements, generally accepted accounting principles, the Company's revenue recognition policy and the Company's system of internal controls. No undisclosed or unrecorded account or fund may be established for any purpose. No false or misleading entries may be made in the Company's books or records for any reason. No disbursement of corporate funds or other corporate property may be made without adequate supporting documentation or for any purpose other than as described in the documents. In addition, all employees must comply with generally accepted accounting principles and the Company's internal controls at all times.

Business records and communications often become public, and all employees must avoid exaggeration, derogatory remarks, guesswork and inappropriate characterizations of individuals and other third parties that can be misunderstood. This applies equally to e-mail, internal memos and formal reports. All records, books of account and other documents relating to the Company, including emails, may not be destroyed or deleted except in accordance with the Company's document retention policy. In the event of questions related to litigation or a governmental investigation involving Company records, consult the Company's Legal Department.

COMPANY REPORTING AND OTHER COMMUNICATIONS

It is critical that the Company's filings and submissions with the SEC and other governmental authorities be accurate and timely. Depending on her or his position with the Company, any employee or director may be called upon to provide necessary information to ensure that the Company's reports and documents filed with governmental authorities and in public communications by the Company are full, fair, accurate, timely and understandable. The Company expects its employees and directors to provide prompt, accurate answers to inquiries related to the Company's filing and disclosure requirements.

All employees and directors of the Company must, and must cause the Company to, comply with the system of disclosure controls and procedures devised, implemented and maintained by the Company to provide reasonable assurance that information required to be disclosed by the Company in the reports that it files or submits to the SEC is properly authorized, executed, recorded, processed, summarized and reported.

Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by the Company in the reports that it files or submits to the SEC is accumulated and communicated to the Company's management, as appropriate, to allow timely decisions regarding required filings and disclosure.

GOVERNMENT INVESTIGATIONS

It is the policy of the Company to cooperate with all government investigations. Employees must promptly notify the Compliance Officer or such officer's designee of any government investigation or inquiries from government agencies or representatives concerning the Company. Employees may not destroy or delete any record, books of account, or other document relating to the Company, including emails, except in accordance with the Company's document retention policy. In the event of a government investigation, litigation or another form of official inquiry related to the Company, Employees may not destroy any record, book of account, or other document relating to that investigation, litigation, or inquiry unless advised by the Legal Department that they may continue to follow the Company's normal document retention policy.

It is the policy of the Company to comply with all government investigations and to provide governments with all information and documents to which they are entitled during an inspection or investigation, or in response to requests for information. Employees must not obstruct the collection of information, data or records relating to the Company or its subsidiaries or affiliates. Employees must not lie to government investigators or make misleading statements in any investigation relating to the Company or its subsidiaries or affiliates. Employees must not attempt to cause any employee to fail to provide accurate information to government investigators.

Employees have the right to consult their own legal counsel at their own expense with respect to government investigations or inquiries.

COMMUNICATIONS WITH THIRD PARTIES

Employees and directors who have access to the Company's confidential information are not permitted to use or share that information for any purpose except the conduct of the Company's business.

Communications with the Media and the Financial Community

The Company communicates with the press and with the financial community through official channels only. All inquiries received from the media concerning the Company should be directed to the General Counsel. All legal inquiries concerning the Company should be referred

to the General Counsel. All inquiries regarding current or former employees of the Company should be referred to the HR Department.

Please see the Company's Policy and Procedures for Compliance with Regulation FD for additional information.

Confidential Information

As discussed earlier, you should be careful not to divulge information about the Company, even accidentally. The Company is committed to protecting Confidential Information (as defined below), whether generated within the Company or obtained from some other source. The Company is also strongly committed to avoiding the misuse, or the appearance of misuse, of such information, whether in connection with the trading of securities or otherwise.

In the course of your participation in the work of the Company, you may obtain or have access to non-public information that might be of use to competitors, or harmful to the Company or its clients if disclosed. Such information may have been or may be provided in written or electronic form or orally. All such information, from whatever source obtained and regardless of the Company's connection to the information, is referred to as "Confidential Information." Confidential Information excludes information that has been made generally available to the public. However, information that when viewed in isolation may be publicly known or can be accessed by a member of the public will constitute Confidential Information for these purposes if such information has become proprietary to the Company through the Company's (whether by itself or on its behalf) aggregation or interpretation of such information.

Because Confidential Information constitutes a valuable asset of the Company, without the prior written consent of the General Counsel or his or her designees (which may be given or withheld in such person's sole discretion) or unless legally mandated, you may not, while employed by or associated with the Company or at any time thereafter, (a) disclose any Confidential Information to any person except in furtherance of the business of the Company, (b) make any other use of any Confidential Information except in the business of the Company and in a manner which at all times is intended to serve the interests of the Company or (c) disclose any information (whether or not Confidential Information) concerning the Company or its present or former employees, clients or investors to any reporter, author or similar person or entity or take any other action likely to result in such information being made available to the public in any form, including books, articles or writings of any other kind, film, videotape, electronic means of communication or any other medium.

Failure to comply, either in letter or spirit, with these important policies may subject you to disciplinary action, up to and including termination of employment. The Company may pursue appropriate legal action against present or former employees to enforce these policies.

Notwithstanding the foregoing, and notwithstanding any other confidentiality or non-disclosure agreement (whether in writing or otherwise, including without limitation as part of an employment agreement, separation agreement or similar employment or compensation arrangement) applicable to current or former employees, the Company does not restrict any current or former employee from communicating, cooperating or filing a complaint with any

U.S. federal, state or local governmental or law enforcement branch, agency or entity (collectively, a “Governmental Entity”) with respect to possible violations of any U.S. federal, state or local law or regulation, or otherwise making disclosures to any Governmental Entity, in each case, that are protected under the whistleblower provisions of any such law or regulation, provided that (i) in each case such communications and disclosures are consistent with applicable law and (ii) the information subject to such disclosure was not obtained by the current or former employee through a communication that was subject to the attorney-client privilege, unless such disclosure of that information would otherwise be permitted by an attorney pursuant to 17 CFR 205.3(d)(2), applicable state attorney conduct rules, or otherwise. Any agreement in conflict with the foregoing is hereby deemed amended by the Company to be consistent with the foregoing.

TECHNOLOGY USE AND PRIVACY

The Company provides various technology resources (including computers, telephones, software, copying machines, Internet access, and voice mail) to employees to assist in performing their duties on behalf of the Company. Employees have the responsibility to use the Company’s technology resources in a manner that complies with applicable laws and Company policies.

Authorization

Access to the Company’s technology resources is within the sole discretion of the Company and subject to Company policies. Generally, employees are given access to the Company’s various technologies consistent with their job functions. The Company reserves the right to limit such access by any means available to it, including revoking access altogether.

Prohibition Against Violating Copyright Laws

Employees may not use the Company’s technology resources to copy, retrieve, forward or send copyrighted materials unless they have the author’s permission or are accessing a single copy only for their own reference.

Email and Internet

The use of the Company’s electronic mail (e-mail) system and connection to the Internet should be restricted primarily to Company business. Employees should not abuse access to the Internet for personal purposes.

All employees must use the same care, caution and etiquette in sending e-mail messages as in all other written business communications. The Company will not tolerate discriminatory, offensive, defamatory, pornographic and other illegal messages or materials sent by email or accessed through the Internet. Since the e-mail system and Internet connection are Company resources, the Company reserves the right at any time to monitor and inspect without notice, all electronic communications on personal computers owned by the Company or computers on the premises used in Company business.

Other Prohibited Uses

Employees may not use any of the Company's technology resources for any illegal purpose, in violation of any Company policy, in a manner contrary to the best interests of the Company, in any way that discloses confidential or proprietary information of the Company or third parties on an unauthorized basis, or for personal gain.

Electronic Databases of the Company

Employees may not use any information contained in electronic databases maintained by the Company which relates to the personality, personal status, intimate affairs, state of health, economic position, vocational qualifications, or opinions and beliefs of any person, for any purposes other than those for which the database was established, as determined by the terms of the registration of such database in the relevant country. Employees may not transfer any information from a Company database outside of the country where such database originated, unless such transfer is permitted by the laws of such country.

POLITICAL ACTIVITIES AND CONTRIBUTIONS

The Company is committed to following all federal, state and local laws that govern elections and campaign contributions in the United States and abroad.

The Company does not discourage employees or directors from participating in the political process to reflect their individual beliefs and commitment. When involved in the political process, the participation of an employee or director must not interfere with her or his job at or responsibilities to the Company, and the employee or director must not participate in the name of, or on the purported behalf of, the Company. Permissible participation may include political contributions to candidates for various public offices. Employees and directors will not be reimbursed, directly or indirectly, by the Company for any political contribution or for the cost of attending any political event.

Please see the Company's Anti-Corruption and Anti-Bribery Policy for additional information regarding interactions with politicians, political parties, and candidates for office.

USE AND PROTECTION OF COMPANY ASSETS

Company assets are to be used only for the legitimate business purposes of the Company and its subsidiaries and affiliates and only by authorized employees. This includes both tangible and intangible assets.

Some examples of tangible assets include:

- Office equipment such as phones, copiers, computers, furniture, supplies and production equipment.

Some examples of intangible assets include:

- Intellectual property such as pending patent information, inventions, trade secrets or other confidential or proprietary information (whether in printed or electronic form).

All employees are responsible for ensuring that appropriate measures are taken to properly protect Company assets. All employees should assist in the protection of confidential and proprietary information including technical, financial, marketing and other business information which, if made available to Company competitors or the public, would be advantageous to such competitors or detrimental to the Company. No employee should disclose or permit the release to any person (other than a fellow employee having a need to know such information) any confidential or proprietary information except as required by law.

In addition, employees should take appropriate measures to ensure the efficient use of Company assets. Theft, carelessness and waste directly impact the Company's profitability.

OUR WORK ENVIRONMENT

The diversity of the Company's employees is a tremendous asset. The Company is committed to providing equal opportunity in all aspects of employment and will not tolerate any discrimination or harassment. For the full text of the Company's policy with regard to discrimination and harassment, see the Company's Anti-Discrimination and Harassment Global Policy.

In addition, the Company strives to provide each employee with a safe and healthy work environment. Each employee has responsibility for maintaining a safe and healthy workplace for all employees by following health and safety rules and practices and reporting accidents, injuries and unsafe equipment, practices and conditions.

COMPLIANCE AND REPORTING

Compliance

All employees and directors will take all steps necessary to ensure their compliance with the standards set forth in this Code. If there are instances of non-compliance, regardless of how identified, all employees and directors are required to ensure timely and reasonable remediation of such non-compliance and ensure that adequate steps are taken to prevent the recurrence and/or future occurrences of non-compliance. All managerial personnel are responsible for the necessary distribution of this Code to ensure employee knowledge and compliance.

Any employee who violates the provisions of this Code or applicable law will be subject to disciplinary action up to and including termination.

Disciplinary Action

The Compliance Officer, with the advice of the General Counsel and the HR Department, will determine, or designate appropriate persons to determine, appropriate actions to be taken in the event of violations of this Code. In determining what action is appropriate in a particular case, the Compliance Officer shall take into account all relevant information, including the

nature and severity of the violation, whether the violation was intentional or inadvertent, the extent of the likely damage to the Company and its shareholders resulting from the violation and whether the employee has committed previous violations of this Code or other Company policies concerning ethical behavior. Violation of the rules and policies of conduct set forth in this Code may result in one or more of the following disciplinary actions, as appropriate:

- A warning;
- A reprimand (noted in the employee's personnel records);
- Probation;
- Demotion;
- Temporary suspension;
- Required reimbursement of losses or damages;
- Termination of employment; and/or
- Referral for criminal prosecution or civil action.

Disciplinary measures also may apply to any supervisor who directs or approves such actions, or has knowledge of them and does not correct them promptly.

Reporting possible violations of this Code will not result in retaliation against the reporting employee. The Company will not tolerate harassment, retaliation or reprisals of any kind against any employee who has, in good faith, protested or raised a complaint against some policy or practice of the Company or any of its employees.

Reporting Procedures, Whistleblower Hotline and Other Inquiries

Questions regarding the policies in this Code may be directed orally or in writing (including on an anonymous basis in writing) to the Compliance Officer or such officer's designee.

In addition, employees may submit complaints, concerns, and information regarding potential unethical, fraudulent or illegal conduct of their immediate supervisors. However, if an employee is not comfortable speaking with her or his supervisor, or is not satisfied with the supervisor's response, or if the concern relates to a particularly serious or sensitive issue, including accounting-related matters and allegations of bribery or corporate fraud, the employee is encouraged to raise the matter directly to the Audit Committee or General Counsel, openly, or confidentially and/or anonymously in the following manner:

- (a) in writing to Candela Medical, Inc., Attn: Audit Committee or, General Counsel, 251 Locke Drive, Marlborough, Massachusetts 01752 (must include "Candela" in the actual report); or

(b) by submitting a report through our whistleblower hotline available at candelamobile.ethicspoint.com.

Employees who choose to identify themselves when submitting a report may be contacted by a Company representative in order to gain additional information. To the extent permissible under applicable law, the Company will keep confidential all communications with a reporting employee relating to that employee's complaint.

Consistent with the Company's expectations regarding confidential information and communications with third parties concerning Company business, disclosure of any suspected fraudulent, illegal or unethical conduct to any member of the media without express prior written approval from the Company's Chief Financial Officer is expressly prohibited.

All conversations, calls, and reports made under this policy in good faith will be taken seriously. The Company is committed to fostering an ethical, productive and respectful work environment where employees feel comfortable raising concerns. The Company strictly prohibits retaliation or harassment of any form in response to reports made or concerns raised in good faith. "Good faith" does not mean that the report or concern raised must be correct, but it does require that individuals making reports or raising concerns believe that they are providing truthful information. However, employees who file reports or provide evidence that they know to be false or without a reasonable belief in the truth and accuracy of such information will not be protected by this policy and may be subject to corrective action up to and including immediate termination.

Please see the Company's Whistleblower Policy for additional information.

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This document is not an employment contract between the Company and its employees, nor does it modify their employment relationship with the Company.

This Code is intended to clarify directors' and employees' existing obligation for proper conduct. The standards and the supporting policies and procedures may change from time to time in the Company's discretion. Employees' continued employment will be considered as confirming their acceptance of any such changes and their agreement to comply therewith. All directors and employees are responsible for knowing and complying with the current laws, regulations, standards, policies and procedures that apply to the Company's business. The most current version of this document can be found at www.candelamedical.com.

ACKNOWLEDGEMENT

I hereby acknowledge that I have received and read the Code of Business Conduct and Ethics (the "Code") and I understand that compliance with the requirements set forth in the Code is a condition of my commencing or continued employment. I understand that it is my responsibility to read, understand and seek guidance, should I require clarification with regard to the standards set forth in the Code. I also understand that I may be subject to disciplinary action, up to and including termination of employment, for violating these standards or failing to report known or suspected violations of these standards.

Print Name: _____

Sign Name: _____

Date: _____

Please retain a copy for your records and return your original signed acknowledgement form to Human Resources.

To the extent that the Company has established electronic acknowledgment, such acknowledgement shall constitute the Participant's signature hereto.