

## FIRST AMENDMENT

This First Amendment (the “**First Amendment**”) is entered into on July 27, 2020 (the “**Amendment Date**”) by and between INTEGA Skin Sciences Inc. (“**INTEGA**”), Crescita Therapeutics Inc., (“**Crescita**”) and Taro Pharmaceuticals Inc. (“**Taro**” and, together with INTEGA and Crescita, the “**Parties**”).

### RECITALS

- (A) Crescita and Taro are parties to a Development and Commercialization License Agreement dated as of April 21, 2017, (the “**Agreement**”);
- (B) INTEGA is an Affiliate of Crescita and pursuant to Section 16.8(b) of the Agreement, Crescita assigned all of its rights and obligations under the Agreement to INTEGA on May 13, 2020, the whole subject to Crescita remaining liable and responsible to Taro for the performance and observance of all duties and obligations of Crescita under the Agreement by its Affiliate;
- (C) As a consequence of such assignment, any and all references to Crescita under the Agreement shall automatically be deemed to be a reference to INTEGA; and
- (D) The Parties wish to amend the Agreement in accordance with the terms and conditions hereinafter set forth;

**NOW, THEREFORE**, this First Amendment witnesses that in consideration of the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Parties, the Parties hereby covenant and agree as follows:

- 1. Capitalized terms used but not otherwise defined or modified herein shall have the meaning ascribed thereto in the Agreement.
- 2. Effective as of the Effective Date of the Agreement, Section 1.24 of the Agreement is hereby deleted and replaced by the following:

“1.24 “First Commercial Sale” means the first sale by Taro or any of its Affiliates to a Sublicensee or other Third Party for end use or consumption of the Product after Regulatory Approval has been granted with respect to the Product. Any sale of the Product among a Party and its Affiliate shall not constitute a First Commercial Sale unless such Affiliate is the end user of the Product. Sales prior to receipt of all Regulatory Approvals necessary to commence regular commercial sales, such as so-called “treatment IND sales”, “named patient sales” and “compassionate sales”, shall not be construed as “First Commercial Sales” to the extent that such sales are in reasonable and customary amounts. The provision of samples in reasonable and customary amounts for the purpose of generating or developing the market for the Product shall not be deemed “First Commercial Sales”.”
- 3. Effective as of the Effective Date of the Agreement, Section 1.40 of the Agreement is hereby deleted and replaced by the following:

“1.40 “Net Sales” means, with respect to the Product, the gross amounts invoiced for sales or other dispositions of the Product by or on behalf of Taro and/or its Affiliates to Sublicensees or other Third Parties, less the following deductions to the extent included in the gross invoiced sales price for the Product or otherwise directly paid or incurred by Taro or its Affiliates, as applicable, with respect to the sale or other disposition of the Product:

(a) normal and customary trade and quantity discounts actually allowed and properly taken directly with respect to sales of the Product (including stocking, distribution and/or administrative fees to wholesalers, group purchasing organizations, pharmacy benefit managers, and the like), provided that such discounts are not applied disproportionately to the Product when compared to the other products of Taro or its Affiliates, as applicable;

(b) credits or allowances given or made for rejection, recalls, rebates, allowances of goods or return of previously sold Product or for retroactive price reductions and billing errors;

(c) rebates and chargeback payments granted to managed health care organizations, pharmacy benefit managers (or equivalents thereof), national, state/provincial, local, and other governments, their agencies and purchasers and reimbursers, or to trade customers;

(d) costs of freight, insurance, and other transportation charges directly related to the distribution of the Product;

(e) taxes, duties or other governmental charges (including any tax such as a value added or similar tax, other than any taxes based on income) levied on or measured by the billing amount for the Product, as adjusted for rebates and refunds;

(f) discounts pursuant to indigent patient programs and patient discount programs, including, without limitation, “Together Rx” and coupon discounts; and

(g) any other specifically identifiable amounts included in the Product's gross invoice that should be credited for reasons substantially equivalent to those listed above.

Such amounts shall be determined in accordance with U.S. GAAP, consistently applied.

Upon any sale or other disposition of the Product that should be included within Net Sales for any consideration other than exclusively monetary consideration on bona fide arms'-length terms, then for purposes of calculating Net Sales under this Agreement, the Product shall be deemed to be sold exclusively for money at the average sales price during the applicable reporting period generally achieved for the Product in the country in which such sale or other disposition occurred when the Product is sold alone and not with other products.

In no event will any particular amount identified above be deducted more than once in calculating Net Sales. Sales of the Product between Taro and its Affiliates for resale shall

be excluded from the computation of Net Sales, but the subsequent resale of the Product to a Sublicensee or other Third Party shall be included within the computation of Net Sales.

Taro and its Affiliates shall not sell the Product in combination with or as part of a bundle with other products, or offer packaged arrangements to customers that include the Product, in such a manner as to disproportionately discount the selling price of the Product as compared with the weighted-average discount applied to the other products, as a percent of the respective list prices (or if not available, a good faith estimate thereof) of such products and the Product prior to applying the discount.”

4. Effective as of the Effective Date of the Agreement, Article 1 of the Agreement is hereby amended by adding the following thereto as Section 1.50.1:

“1.50.1           **“Taro Licensing Revenue”** means all cash, securities and cash equivalent consideration actually received by Taro or its Affiliates from any Sublicensee in connection with the grant of any Sublicense, including but not limited to, option fees, upfront payments, license fees, license maintenance fees, development milestone payments, commercialization milestone payments, and royalties or other payments based on sales or transfers of the Products, but excluding the following: (i) payments made by any such Sublicensee in consideration for the issuance of equity or debt securities of Taro or its Affiliates to the extent not exceeding the fair market value thereof; (ii) that portion of payments for direct reimbursement of actual research or development of the Products incurred by Taro or its Affiliate after the effective date of such Sublicense, calculated in accordance with Taro’s or its Affiliate’s, as applicable, internally used internal accounting standards, consistently applied, but only to the extent that such expenses are separately documented and only to the extent they are not exceeding the fair market value for such research or development; and (iii) any amounts included within the definition of Net Sales; *provided that*, to the extent any amount received by Taro or its Affiliates from a Sublicensee is subject to a clawback or other obligation which could require the refund of such amount, such amount shall not constitute Taro Licensing Revenue until it is no longer subject to such clawback or other obligation, and shall be deemed actually received when such obligation has lapsed.

5. Effective as of the Effective Date of the Agreement, the last sentence of Section 2.2(a) of the Agreement is hereby deleted and replaced by the following:

“Within thirty (30) days after the closing of a subcontract agreement with any Affiliate, Taro shall provide Crescita with a copy of such subcontract agreement. For the avoidance of doubt, Taro will not be required to provide a copy of any Sublicense.”

6. Effective as of the Effective Date of the Agreement, the last sentence of Section 2.2(b) of the Agreement is hereby deleted.

7. Effective as of the Effective Date of the Agreement, Section 3.3 of the Agreement is hereby deleted and replaced by the following:

“3.3 Specific Reporting by Taro’s Alliance Manager. In addition to the cooperation and information exchange contemplated under Section 3.2, Taro’s Alliance Manager shall

provide Crescita's Alliance Manager with (a) semi-annual updates summarizing the significant Commercialization activities performed by Taro, Taro's Affiliates and, to the best of Taro's knowledge, the Sublicensees for the Product in the Territory, including a reasonably detailed summary of its progress towards any Initial Sales Targets or Future Sales Targets and activities performed in connection with an Adopted Cure Plan, as applicable, and (b) in the event that the Commercial Supply Agreement is not in force, regular updates regarding manufacture or material supply chain matters relating to the manufacture and supply of the Product. For the purpose of the foregoing reporting, Taro shall use commercially reasonable efforts to obtain the required information from each Sublicensee and, subject to the terms of any confidentiality or other contractual obligations attaching thereto, remit to Crescita all information obtained from each Sublicensee in accordance with **[REDACTED: EXHIBIT REFERENCE CORRESPONDING TO THE REDACTION OF SUCH EXHIBIT FROM THE AGREEMENT]**. Furthermore, for the purposes of the foregoing reporting, Taro's completion and submission to Crescita's Alliance Manager of the reporting form contained in **[REDACTED: EXHIBIT REFERENCE CORRESPONDING TO THE REDACTION OF SUCH EXHIBIT FROM THE AGREEMENT]** to this First Amendment shall be deemed to satisfy this Section 3.3's reporting requirements and Taro's reporting obligations hereunder.

8. Effective as of the Effective Date of the Agreement, the Agreement is hereby amended by the addition of a new **[REDACTED: EXHIBIT REFERENCE CORRESPONDING TO THE REDACTION OF SUCH EXHIBIT FROM THE AGREEMENT]** in the form attached to this First Amendment.
9. Effective as of the Effective Date of the Agreement, Section 4.6 of the Agreement is hereby deleted and replaced by the following:

“4.6 Right of Reference. Subject to Section 4.3(b), Taro hereby grants Crescita (or its designee) a right of reference or use to Regulatory Filings of Taro and its Affiliates for the Product (including the right to use and disclose any information contained therein) solely for purposes of obtaining and maintaining Regulatory Approval of the Product outside of the Territory. Taro shall and shall ensure that its and its Affiliates, at Crescita's request and expense, will take actions reasonably necessary to effect such grant of right of reference or use to Crescita (or its designee), including by making such filings as may be required with Regulatory Authorities that may be necessary to record such grant. Crescita hereby grants Taro (or its designee) a right of reference or use to Regulatory Filings of Crescita and its Affiliates for the Product solely for purposes of obtaining and maintaining Regulatory Approval of the Product in the Territory. Crescita shall and shall ensure that its and its Affiliates, at Taro's request and expense, take actions reasonably necessary to effect such grant of right of reference or use to Taro (or its designee), including by making such filings as may be required with Regulatory Authorities outside the Territory that may be necessary to record such grant. Either Party may allow its licensees, sublicensees (including Sublicensees) or collaborators to exercise such right of reference or use of Regulatory Filings of the other Party for the Product, but only to the extent that such licensee, sublicensee (including Sublicensees), or collaborator grants to such Party a right of reference or use of regulatory filings and regulatory materials of such licensee, sublicensee or collaborator that can be exercised by the other Party for purposes of obtaining and maintaining Regulatory Approval of Product in the Territory (in the case of Taro) and outside the Territory (in the case of Crescita), in which case such regulatory filings or regulatory materials of such licensee, sublicensee (or Sublicensee), or collaborator shall be included in the grant of a right of reference to the applicable Party, as described in this Section 4.6.”

10. The Exhibit C referenced in Section 5.2(a) of the Agreement is hereby deleted and replaced by **[REDACTED: EXHIBIT REFERENCE CORRESPONDING TO THE REDACTION OF SUCH EXHIBIT FROM THE AGREEMENT]** hereto.
11. Effective as of the Effective Date of the Agreement, Section 6.3(a) of the Agreement is hereby deleted in its entirety and replaced by the following:

“(a) Royalty on Net Sales of the Product. Subject to the terms and conditions of this Agreement, including Section 6.4, in further consideration of the rights granted to Taro under this Agreement, Taro shall pay to Crescita royalties at the rate of **[REDACTED – ROYALTY PERCENTAGE]** on all Annual Net Sales of the Product in the Territory in each Taro Fiscal Year (or partial Taro Fiscal Year) (“**Earned Royalties**”), commencing with the First Commercial Sale of such Product and continuing until the later of: (i) seven (7) years after the First Commercial Sale of such Product in the Territory; and (ii) the expiration or abandonment of the last to expire of any Valid Claim of any Crescita Patent that Covers the Product in the Territory (the “**Initial Royalty Term**”).

Notwithstanding the expiration of the Initial Royalty Term, Taro shall continue to pay to Crescita Earned Royalties until the Taro Fiscal Year following the second consecutive Taro Fiscal Year in which the Annual Net Sales of the Product in the Territory are below **[REDACTED – DOLLAR VALUE]** (such extended payment term, the “**Sales Royalty Term**”). The Initial Royalty Term together with any subsequent Sales Royalty Term, as applicable, shall be referred to herein as, the “**Royalty Term**”.

For clarity, Earned Royalties shall be calculated on the Annual Net Sales by Taro and its Affiliates to Sublicensees and other Third Parties such that any sales between Taro and its own Affiliates will be disregarded for the purpose of calculating the Earned Royalties.”

12. Effective as of the Effective Date of the Agreement, the following is hereby added to the Agreement as Section 6.5:

“6.5 Taro Licensing Revenue. Subject to the terms and conditions of this Agreement, in further consideration of the rights granted to Taro under this Agreement, Taro shall pay to Crescita an amount equal to **[REDACTED – ROYALTY PERCENTAGE]** of all Taro Licensing Revenue (“**Earned Licensing Revenues**”).”

13. Effective as of the Effective Date of the Agreement, Section 7.1(a) of the Agreement is hereby deleted in its entirety and replaced by the following:

“(a) Royalty Payments and Royalty Reports. Royalty payments shall be made by Taro with respect to the Product within **[REDACTED – DATE RANGE]** after the end of each Calendar Quarter in which a sale of such Product occurs, commencing with the Calendar Quarter in which the First Commercial Sale of the Product occurs. Taro shall also provide, at the same time each such payment is made, a quarterly written report (each a “Royalty Report”) for the Calendar Quarter for which the royalties are being paid. The Royalty Report shall include: (i) the total units of Product sold during the relevant Calendar Quarter; (ii) the gross amounts invoiced by Taro and, its Affiliates of the Product in the relevant Calendar Quarter; (iii) the Net Sales of each Product (differentiated between the Enhanced Formulation and any other formulation of the Product) in the Territory in such Calendar Quarter; (iv) the total amount of deductions from gross sales to determine Net Sales and a description of each deduction or credits due to Taro in accordance with the terms of this Agreement including Sections 1.40 and 6.4; (v) the applicable Earned Royalties for the Product after applying any reductions set forth above; and (vi) a calculation of the amount of royalty due to Crescita.

For clarity, Taro shall have the responsibility to account for and report the sales of any Product by its Affiliates on the same basis as if such sales were Net Sales by Taro.”

14. Effective as of the Effective Date of the Agreement, the following is hereby added to the Agreement as Section 7.1(c):

“7.1(c) Within [REDACTED – DATE RANGE] after the end of each Calendar Quarter, Taro shall remit to Crescita a quarterly report (each a “**Licensing Revenue Report**”) for the Calendar Quarter and payment of the Earned Licensing Revenues for such quarter. The Licensing Revenue Report shall include reasonable details of all Taro Licensing Revenue generated during the relevant Calendar Quarter.”

15. Effective as of the Effective Date of the Agreement, Section 7.2 of the Agreement is hereby deleted in its entirety and replaced by the following:

“7.2 Records; Audit Rights. Taro and its Affiliates shall keep and maintain for [REDACTED – DATE RANGE] from the date of each payment of royalties to Crescita hereunder (the “**Retention Period**”) complete and accurate records of gross sales and Net Sales by Taro and its Affiliates of the Product, in sufficient detail to allow royalties to be determined accurately. Crescita shall have the right during the applicable Retention Period to appoint, at its expense, an independent certified public accountant reasonably acceptable to Taro to audit the relevant records of Taro and its Affiliates to verify the accuracy of the Royalty Reports and that the amount of any payment made in accordance with this Article VII was correctly determined for any Calendar Year ending not more than twelve (12) months prior to the date of such request to audit. Taro and its Affiliates shall each make its records available for audit by such independent certified public accountant during regular business hours at such place or places where such records are customarily kept, upon forty-five (45) days written notice from Crescita. Such audit right shall not be exercised by Crescita more than once in any twelve (12)-month period or more than once with respect to sales of the Product in a particular period. All records made available for audit shall be deemed to be Confidential Information of Taro. The public accountant shall execute a confidentiality undertaking no less strict than the confidentiality obligations set forth in this Agreement in a form reasonably acceptable to Taro and suitable for the purpose of performing the audit under this Section 7.2. The results of each audit, if any, shall be binding on both Parties absent manifest error. In the event there was an underpayment or overpayment, Taro shall pay the additional royalties due to Crescita or Crescita shall return to Taro any excess royalties paid, as the case may be, within thirty (30) days after the accounting firm's written report is delivered to both Taro and Crescita. Crescita shall bear the full cost of such audit unless such audit discloses an underreporting by Taro of five percent (5%) or more of the aggregate amount of royalties payable over any twelve (12)-month period, in which case Taro shall reimburse Crescita for all costs incurred by Crescita in connection with such audit. Neither Party nor its Affiliates shall consult in any substantive manner with such accountant regarding the any audit unless the other Party is given reasonable advance notice of and the opportunity to participate in such consultation; all material or substantive communications to such accountant made in writing shall be copied to the other Party who may respond to the accounting firm in question with a copy to the other Party.”

16. Effective as of the Effective Date of the Agreement, the following is hereby added to the Agreement as Section 7.6:

“7.6 Taro Licensing Revenue. Sections 7.2 to 7.5 will apply *mutatis mutandis* to the Taro Licensing Revenue, Earned Licensing Revenues and Licensing Revenue Report.”

17. Section 8.4 of the Agreement is hereby deleted in its entirety.
18. To the extent necessary, the Parties agree that Section 1.56 of the Agreement is hereby amended to reflect all defined terms of the Agreement added or changed under the foregoing provisions of this First Amendment.
19. In the event that any of the provisions of this First Amendment conflict with any of the provisions of the Agreement, then the conflicting provisions of this First Amendment shall govern and prevail.
20. As modified and amended by this First Amendment, the provisions of the Agreement are in all respects ratified and confirmed and the Agreement, and the amendments thereto provided for herein, shall be read, taken and construed as one and the same agreement.
21. This First Amendment may be executed in any number of counterparts (including counterparts by facsimile or electronic means) and all such counterparts taken together shall be deemed to constitute one and the same instrument.

(Signature page follows)

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment on the respective dates set out below but with effect as of the Amendment Date.

**INTEGA Skin Sciences Inc.**

**Taro Pharmaceuticals Inc.**

Per: By: "Serge Verreault"  
Name: Serge VERREAULT  
Title: President  
Date: 7/27/2020

Per: By: "Uday Baldota"  
Name: Uday Baldota  
Title: Chief Executive Officer  
Date: 7/27/2020

**Crescita Therapeutics Inc.**

Per: By: "Serge Verreault"  
Name: Serge VERREAULT  
Title: President & CEO  
Date: 7/27/2020