

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 27, 2022

RESHAPE LIFESCIENCES INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

1-37897
(Commission
File Number)

26-1828101
(IRS Employer
Identification No.)

**1001 Calle Amanecer
San Clemente, CA**
(Address of principal executive offices)

92673
(Zip Code)

(949) 429-6680
(Registrant's telephone number, including area code)

Not applicable
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, \$0.001 par value per share	RSLS	The Nasdaq Capital Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On July 27, 2022, ReShape Lifesciences Inc. (the “Company”) announced that its Board of Directors has appointed Paul F. Hickey as President and Chief Executive Officer and as a member of the Board of Directors, effective August 15, 2022. Mr. Hickey succeeds Bart Bandy, who has separated from the Company to pursue other opportunities. Thomas Stankovich, Chief Financial Officer of the Company, will serve as Interim President and Chief Executive Officer until Mr. Hickey joins the Company. Dan W. Gladney, current Chair of the Board of Directors, will assume a more active role as Executive Chair, supporting Mr. Hickey and the Company on strategic matters

Prior to joining the Company, Mr. Hickey, age 57, was the President and Chief Executive Officer of Altimate Medical Holdings, Inc., which designs and manufactures rehabilitation medical equipment including its EasyStand brand, since February 2020. Previously, from 2018 to 2020, he served as the President and Chief Executive Officer of Vertebral Technologies, Inc., a medical device company focused on implantable spinal devices. Prior to that, from 2016 to 2017, Mr. Hickey was Senior Vice President of Marketing and Reimbursement for EnteroMedics (now ReShape Lifesciences™). Earlier in his career, he consulted for a variety of commercialized medical device companies and held positions of increasing responsibility at Zimmer Biomet. For the past four years, Mr. Hickey has served on the Board of Directors at Excelen Center for Bone and Joint Research and Education. Mr. Hickey earned a Bachelor’s degree from the University of Michigan and a Master’s from Washington University in Saint Louis.

In connection with his appointment as President and Chief Executive Officer of the Company, the Company and Mr. Hickey entered into an offer letter (the “Offer Letter”), pursuant to which Mr. Hickey will receive an annual base salary of \$400,000 and a potential annual bonus of up to 50% of his annual base salary, which bonus for the 2022 calendar year will be prorated based on the portion of the year he is actually employed. Additionally, Mr. Hickey will be granted a stock option under the Company’s equity incentive plan to purchase a number of shares of the Company’s common stock equal to 4% of the Company’s outstanding common stock, on a fully-diluted basis, as of the date of the Offer Letter. The options will have a 10-year term and a per share exercise price equal to the closing market price of the Company’s common stock on the grant date. The options will vest with respect to 25% of the shares of common stock purchasable thereunder on the one-year anniversary of the grant date and monthly thereafter for 36 months, conditioned upon Mr. Hickey’s continued employment with the Company from the grant date until the respective vesting date. As soon as reasonably practicable following the first offering of common stock or securities convertible into common stock for purposes of financing the Company after Mr. Hickey’s start date, Mr. Hickey will be granted an additional stock option or other equity award in an amount that maintains his fully diluted ownership percentage at 4%. The Offer Letter contains severance provisions which provide that in the event Mr. Hickey’s employment is terminated by the Company without cause or Mr. Hickey resigns for good reason, he will be entitled to receive a severance payment equal to 12 months base salary payable as salary continuation payments. To be eligible to receive these payments, Mr. Hickey will be required to execute and not revoke a release of claims.

In connection with Mr. Bandy’s departure, the Company and Mr. Bandy entered into a separation agreement and general release pursuant to which the Company agreed to provide Mr. Bandy certain severance benefits, as provided in his employment agreement, dated August 26, 2019, with the Company. Mr. Bandy also resigned from the Board of Directors.

In connection with the change in President and Chief Executive Officer, and Mr. Stankovich’s appointment as Interim President and Chief Executive Officer, the Company and Mr. Stankovich entered into a retention bonus agreement pursuant to which the Company has agreed to pay Mr. Stankovich 100% of his target 2022 cash bonus, regardless of actual performance, if Mr. Stankovich remains employed by the Company until at least December 31, 2022 or if Mr. Stankovich is terminated by the Company without cause or resigns for good reason before December 31, 2022 (the “Retention Agreement”), subject to certain conditions set forth in the Retention Agreement.

The foregoing description of the Offer Letter and Retention Agreement is not complete and is qualified in its entirety by reference to the full text of the Offer Letter and Retention Agreement, copies of which are attached as Exhibit 10.1 and Exhibit 10.2, respectively, to this Current Report on Form 8-K and incorporated by reference herein.

Item 7.01 Regulation FD Disclosure.

On July 27, 2022, the Company issued a press release announcing the management change described above, a copy of which is attached as Exhibit 99.1 to this Current Report on Form 8-K and incorporated by reference herein.

The information in Item 7.01 of this report (including Exhibit 99.1) shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly provided by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
<u>10.1</u>	<u>Offer Letter, dated July 25, 2022, by and between the Company and Paul Hickey</u>
<u>10.2</u>	<u>Retention Bonus Agreement, dated August 2, 2022, by and between the Company and Thomas Stankovich</u>
<u>99.1</u>	<u>Press Release dated July 27, 2022 (furnished herewith)</u>
104	Cover Page Interactive Data File (the cover page XBRL tags are embedded in the Inline XBRL document).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

RESHAPE LIFESCIENCES INC.

By: /s/ Thomas Stankovich

Thomas Stankovich
Chief Financial Officer

Dated: August 2, 2022



July 22, 2022

Paul F. Hickey
9067 North Shore Drive
Spicer, MN 56288

Dear Paul,

It is our pleasure to offer you the position of President and Chief Executive Officer of ReShape Lifesciences Inc., a Delaware corporation (the “**Company**”), which is listed on the Nasdaq Capital Market under the symbol RSLI. This offer of employment is conditioned on your satisfactory completion of certain requirements, as more fully explained in this letter. This offer letter is not a contract of employment, it is simply a summary of the terms and conditions of your employment shall you accept the Company’s offer which shall then be incorporated into a formal Employment Agreement consistent with these terms and conditions which shall then be entered into.

Subject to satisfaction of all of the conditions described in this letter, your anticipated start date is August 15, 2022 (“**Start Date**”). We also anticipate that you will be appointed to the Board of Directors of the Company effective as of the Start Date. In your position as President and Chief Executive Officer, you will report to the Board of Directors of the Company. You will work from the Company’s principal office in San Clemente, California or another mutually agreed upon location and you will travel for purposes of Company business, in accordance with the Company’s needs, as such needs are determined by the Board. During the period of your employment with the Company, you will be expected to abide by all Company policies, as established from time to time. This is a full-time position, and it is expected that you will diligently and conscientiously perform your job duties and will devote substantially all of your business hours to such duties, and during such time will make the best use of your energy, knowledge, and training to advancing the Company’s interests.

During your employment, you will be compensated at an annual base salary rate of \$400,000 (“**Base Salary**”) less withholdings and deductions required by law or authorized by you, subject to the Company’s payroll practices in place from time to time. Upon the achievement of certain performance measures, and subject to review and approval by the Compensation Committee of the Board, the Base Salary shall increase. In addition, your Base Salary will be reviewed by the Board annually for potential additional adjustment on the basis of performance; and you shall be eligible, at the Board’s sole discretion, for annual merit and incentive-based salary increases consistent with Company’s procedures, policies and practices. If your Base Salary is increased from time to time during the Term, the increased amount shall become the Base Salary.

The Company will also pay you a one-time signing bonus in the aggregate amount of \$25,000, which will be paid within 30 days after your Start Date. Your position is classified as exempt for purposes of wage and hour law and therefore you will not be eligible for overtime. You will also be eligible to earn cash incentive compensation payable in accordance with the Company’s management incentive compensation plan, in a maximum amount equal to 50% of your base salary (pro-rated for 2022), based on certain targets and goals as set by the Board of Directors or Compensation Committee of the Company, payable at the discretion of the Board or the Compensation Committee, less deductions and required withholdings, so long as you remain employed by the Company.

We will recommend to the Compensation Committee that you be granted a stock option to purchase a number of shares of common stock equal to 4% of the Company’s outstanding common stock, on a fully diluted basis, as of the date hereof. Incentive stock options have an exercise price of the fair market value of our common stock on the date of grant, vest over a four-year period, have a term of 10 years and in other respects are subject to the terms of our equity incentive plan. Options vest at a rate of 25% on the first anniversary of the date of employment with the remainder vesting monthly thereafter for 36 months. 100% vesting will occur after four years of continuous, uninterrupted employment. Provided the Compensation Committee approves the stock option grant, the grant date is typically the date of approval by our Compensation Committee, or your employment start date, whichever is later. As soon as reasonably practicable following the first offering of common stock or securities convertible into common stock for purposes of financing the Company after your Start Date, you will be granted an additional stock option or other equity award in an amount that maintains your fully diluted ownership percentage at 4%. You will also be eligible for future stock options or other equity awards based upon the recommendation of the Compensation Committee. If you meet or exceed the targets and goals as set by the Board of Directors or Compensation Committee, then we will recommend that the Compensation Committee consider granting you equity awards in an amount that maintains your fully diluted ownership percentage at 4%. However, the grant of any such awards will be solely in the discretion of the Compensation Committee.

As an employee of the Company, you shall be eligible for such employee benefits as are made available to employees of the Company, in accordance with the relevant plans, as adopted by the Company. You will also be eligible for 20 days of paid time off plus paid sick time, in each case as shall be accrued and administered in accordance with the Company's applicable policies and law, as may be updated from time to time.

For up to one year from your Start Date (or, if the Company is then in the process of relocating its principal office, until such relocation is complete), the Company will provide a fully taxable reimbursement for reasonable travel and lodging expense, less all required deductions and withholdings, related to your travel back and forth from the Company's principal office to provide services under this letter, upon submission of proper receipts and documentation in accordance with the Company's expense reimbursement policy ("**Commuting Expenses**"). If, during the term of your employment, you choose to relocate permanently to the area where the Company's principal office is located (a "**Permanent Relocation**"), the Company will make a fully taxable lump sum payment to you to cover Reasonable Moving Expenses (as defined below) (the "**Relocation Reimbursement**"); provided, however, that if you are terminated for Cause (as defined below) or resign other than for Good Reason (as defined below) within six months of such Relocation Reimbursement, you must repay to the Company such Relocation Reimbursement. The Relocation Reimbursement will be paid within 30 days after you have submitted to the Company such documentation supporting such reimbursement as is required under the Company's expense reimbursement policy. Following any Permanent Relocation, you will no longer be eligible for reimbursement of any Commuting Expenses. For purposes of this letter, "**Reasonable Moving Expenses**" means your actual out of pocket expenses (but not any loss on the sale of your current residence, the purchase price of your new residence, real estate-related taxes or attorneys' fees) related to (a) the disposition of your then current principal residence, (b) relocation of your principal residence to a location within 50 miles of the principal office of the Company, and (c) other moving expenses incurred to relocate your household goods, furnishings, and personal belongings from your then current residence to your new residence.

Your employment is at-will, meaning that either you or the Company may terminate your employment relationship at any time, with or without cause, and with or without advance notice. However, if the Company terminates you without Cause or you resign for Good Reason then (a) the Company will pay you severance in an amount equal to 12 months of your base salary, which will be paid on a regular payroll basis over 12 months, (b) 100% of any unvested shares under any options to purchase shares of Company common stock you then hold (“**Options**”) shall immediately vest, and you shall be permitted to exercise all shares under your Options immediately or at any time during the five-year period (but not after the end of each Option’s original term) following your employment termination date, (c) the Company will also pay you a pro rata portion of any unpaid cash incentive compensation for the calendar year in which your employment termination occurs (that pro-rated cash incentive compensation shall be based on whether your objectives were achieved (also pro-rated to the extent possible) during the portion of the year before your employment termination date and the pro-rated amount shall be based on the number of days in that portion, as compared with the entire year), and (d) if you timely and effectively elect continuation coverage under the Company’s group health plans pursuant to section 4980B of the Code, as amended (“**COBRA**”) or similar state law, the Company will pay or reimburse the premiums for such coverage of you (and your dependents, as applicable) at the same rate it pays for active employees for a period of 12 months from your employment termination date; *provided, however*, that the Company’s obligation to make such payments shall immediately expire if you cease to be eligible for continuation coverage under COBRA or similar state law or otherwise terminate such coverage or, if earlier, the date you become eligible for group health plan coverage with a new employer (the benefits referred to in (a) through (d) above, the “**Separation Benefits**”). As a condition precedent to receiving such Separation Benefits, you must execute and deliver a full and final release, in a form to be drafted and provided by the Company, from all actions or claims, known and unknown, in connection with your employment with the Company or the termination thereof (the “**Release**”). No Separation Benefits shall be paid or recognized until you have signed and returned the Release, and any applicable rescission periods as set forth in the Release have expired. Upon termination of your employment for any reason, you agree that you will resign from your position on the Board of Directors of the Company and, if you do not submit such a resignation, you will be automatically deemed to have resigned from the Board of Directors effective as of your employment termination date, unless the Board of Directors determines otherwise in its sole discretion.

For purposes of this letter, “**Cause**” means: (a) willful breach of your duties to the Company or willful breach of this letter; (b) your conviction of any felony or any crime involving fraud, dishonesty or moral turpitude; (c) your willful participation in any fraud against or affecting the Company or any subsidiary, affiliate, customer, supplier, client, agent, or employee thereof; or (d) any other act that the Company reasonably determines constitutes gross or willful misconduct materially detrimental to the Company, including unethical practices, dishonesty, disloyalty, violation of the Company’s harassment policy or any other acts harmful to the Company; *provided, however* that a for Cause termination pursuant to clause (a), if susceptible of cure, shall not become effective unless you fail to cure such failure to perform or breach within 60 days after receipt of written notice from the Company, such notice to describe such failure to perform or breach and identify what reasonable actions shall be required to cure such failure to perform or breach. For purposes of the definition of “Cause,” no act, or failure to act, on your part shall be considered “dishonest” or “willful unless done, or omitted to be done, by you in bad faith and without reasonable belief that your action or omission was in or not opposed to the best interest of the Company. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board of Directors or based upon the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by you in good faith and in the best interests of the Company. Furthermore, the term “Cause” shall not include ordinary negligence or failure to act, whether due to an error in judgment or otherwise, if you have exercised substantial efforts in good faith to perform the duties reasonably assigned or appropriate to your position.

For purposes of this letter, “**Good Reason**” means, at any time: (a) the assignment by the Company to you of employment duties, functions or responsibilities that are significantly different from, and result in a material diminution of, your duties, functions or responsibilities, including any requirement that you report to another officer of the Company, rather than directly to the Board of Directors; (b) a material reduction in your base salary or the minimum target amount provided above for your cash incentive compensation for any calendar year; (c) a Company requirement that you be based at any office or location more than 35 miles from the Company’s principal office; or (d) any other action or inaction that constitutes a material breach of this letter by the Company.

Upon the occurrence of a Change in Control (as defined in the Company's Second Amended and Restated 2003 Stock Incentive Plan), the Company agrees that (a) 100% of any unvested shares under your Options shall immediately vest, and (b) if after the Change in Control your employment is terminated by the Company without Cause or by you for Good Reason, you will also receive the the Separation Benefits referred to above.

Although your compensation and benefits may change from time to time, the at-will nature of your employment may only be changed by an express written agreement signed by an authorized representative of the Company. The Company expects that, in the event you decide to end your employment, you will give the Company at least 14 days' written notice of such resignation. Although your compensation and benefits will continue during the notice period, the Company shall have the right to determine in its sole discretion whether or not you will actively work during such notice period.

Over the course of your employment with the Company, you will become knowledgeable of confidential and proprietary business information concerning the Company's business. In order to preserve the Company's confidential and proprietary business information, as a condition of employment, you will be required to sign the Company's standard Employee Proprietary Information Agreement (the "**Employee Agreement**") and Dispute Resolution Procedure & Voluntary Mutual Binding Arbitration Agreement (the "**Arbitration Agreement**"). The Employee Agreement and Arbitration Agreement must be signed and returned to me before you commence work on behalf of the Company.

Please note that your offer of employment is contingent upon receipt of what the Company deems to be a satisfactory pre-employment background check and other pre-employment screening as the Company may deem necessary or appropriate, conducted in accordance with applicable law. The Company will notify you if it requires the foregoing pre-employment background check and screening and the third party it engages to conduct the same. Further, you will be required to provide proof of identity and the ability to legally work in the United States as required by federal immigration law on your first day of work. You may also need to complete various payroll and other administrative documents. The terms and conditions of your employment, including those set forth in this letter, are subject to change to the extent required to comply with applicable law, rule or regulation, including the rules and regulations of the Securities Exchange Commission and the Nasdaq Stock Market.

If you have any questions regarding this letter, please do not hesitate to contact me. If not, then by signing below, you acknowledge that you understand and accept the terms and conditions under which you will be employed by the Company as set out above and in related documents. Please return the signed letter to me via email at dan.gladney@outlook.com, by no later than July 25, 2022.

[Signature page follows]

The Company is pleased to make you this offer of employment, and we look forward to having you start working for us soon.

Sincerely,

/s/ Dan W. Gladney

Dan W. Gladney

Chair of the Board of ReShape Lifesciences Inc.

Acknowledged and Accepted:

I accept the Company's offer of employment as described in this offer letter, understand this offer letter is not a contract of employment but that, upon my acceptance, the terms hereof will be incorporated into an Employment Agreement that will be signed by the Company and me.

/s/ Paul F. Hickey

Paul F. Hickey

July 25, 2022

Date



August 2, 2022

Thomas Stankovich
1001 Calle Amanecer
San Clemente, CA 92673

Re: Retention Bonus

Dear Tom:

To provide you with an incentive to remain actively employed by ReShape Lifesciences Inc. (the "**Company**") and to work diligently and professionally, the Company offers you a Retention Bonus as described in this Agreement (this "**Agreement**").

- 1. Duration.** The term of this Agreement is from the date hereof to the close of business on December 31, 2022 (the "**Retention Period End Date**"), unless terminated earlier as set forth below.
- 2. Title.** You will continue to be employed as Chief Financial Officer, devoting your best professional efforts, time and skill to the performance of the duties set forth in your current job description, and as may be revised by the Company.
- 3. Retention Bonus.** The Company agrees to pay you an amount equal to 100% of your target payout under the Company's 2022 Management Incentive Plan (which will be an amount of at least \$148,500), without regard to actual performance (collectively, the "**Retention Bonus**"), subject to the terms described below. In order to receive the Retention Bonus, which would be paid not more than 20 business days after the later of the Retention Period End Date or the date when the rescission periods set forth in your Release (as defined below) have expired (i) you will need to be Continuously and Actively Employed (as defined below) from the date hereof until the Retention Period End Date and (ii) if you provide notice of your resignation prior to the payment of the Retention Bonus, you must provide the Company with at least 90 days' notice of your resignation date and will need to enter into a release agreement with the Company in a customary form prepared by the Company (the "**Release**"). You will be considered to be "**Continuously and Actively Employed**" if you are performing the normal duties of your position as Chief Financial Officer, as assigned by the Company from time to time, or are being compensated by the Company during periods of paid time off in accordance with the Company's generally applicable policies.
- 4. Termination.** You will also be entitled to the Retention Bonus if your employment is terminated prior to the Retention Period End Date either by the Company without Cause or by you for Good Reason (each as defined in your employment agreement with the Company dated October 29, 2019 (the "**Employment Agreement**")), subject to your execution of the Release. If, for any other reason, you cease to be Continuously and Actively Employed with the Company prior to the Retention Period End Date, no Retention Bonus will be paid under this Agreement. In such event, you may, however, be entitled to a severance payment under the terms and conditions of your Employment Agreement). If the Company does terminate you without Cause prior to the Retention Period End Date, it will provide you with at least 30 days' notice of such termination.
- 5. Effect of Retention Bonus on Other Benefits.** The payment of the Retention Bonus will not alter your entitlement to, or the amount of, any severance or other payment or benefit you are entitled to under the Employment Agreement and any other plans, policies or arrangements of the Company, and compensation payable hereunder will not be treated as compensation in respect of any such plan, policy or arrangement. However, you agree that the Retention Bonus would be paid in lieu of, and not in addition to, any amount you may otherwise be entitled to under the Company's 2022 Management Incentive Plan.
- 6. No Right to Continued Employment.** Nothing herein will alter your status as an at-will employee or confer upon you the right to remain in the employ or service of the Company, its subsidiaries or its affiliates, and nothing herein will restrict the ability of the Company from terminating your employment, subject to the Company's obligation to pay the Retention Bonus as set forth in Section 4 above.

ReShape Lifesciences, Inc. | 1001 Calle Amanecer, San Clemente, CA 92673 | Tel: 949-429-6680 | Fax: 949-429-6684



7. Miscellaneous.

(a) **Withholding.** The Company is authorized to withhold from the Retention Bonus amounts of withholding and other taxes the Company reasonably determines are required to be withheld in connection with the payment of the Retention Bonus.

(b) **Section 409A.** Notwithstanding any other provision of this Agreement, payments under this Agreement are intended to be exempt from the requirements of Section 409A of the Internal Revenue Code of 1986, as amended, and this Agreement will at all times be interpreted in accordance with such intent. You will have no binding right to payments made to you in error or any right to designate the time of payment of any Retention Bonus.

(c) **Governing Law.** This Agreement will be governed by the laws of the State of California.

(d) **Successors.** This Agreement will inure to your benefit and the benefit of your heirs and beneficiaries. This Agreement will be binding on and inure to the benefit of the Company and its respective successors and assigns, whether by merger, sale of assets or otherwise.

(e) **Counterparts.** This Agreement may be executed in two or more counterparts, all of which will be considered one and the same agreement.

(f) **Entire Agreement.** This Agreement (together with the Employment Agreement) represents the complete understanding of the parties with respect to the subject matter hereof, and supersedes all prior and contemporaneous discussions and agreements between any parties with respect to such subject matter.

(g) **Modification.** No provision of this Agreement may be modified, altered or amended, except by mutual agreement between the Company and you in writing.

ReShape Lifesciences, Inc. | 1001 Calle Amanecer, San Clemente, CA 92673 | Tel: 949-429-6680 | Fax: 949-429-6684



If you accept the terms of this Agreement, please sign below in the space provided below.

RESHAPE LIFESCIENCES INC.

/s/ Dan W. Gladney

By: Dan W. Gladney

Its: Chair of the Board

Agreed to as of the date set forth below:

/s/ Thomas Stankovich

Thomas Stankovich

Date: August 2, 2022

ReShape Lifesciences, Inc. | 1001 Calle Amanecer, San Clemente, CA 92673 | Tel: 949-429-6680 | Fax: 949-429-6684

ReShape Lifesciences Announces Appointment of Paul F. Hickey as President and Chief Executive Officer

SAN CLEMENTE, Calif., July 27, 2022 -- **ReShape Lifesciences™** (Nasdaq: RSLS), the premier physician-led weight loss and metabolic health solutions company, today announced that its Board of Directors has appointed Paul F. Hickey as President and Chief Executive Officer and as a member of the Board of Directors, effective August 15, 2022. Mr. Hickey succeeds Bart Bandy, who has separated from the company to pursue other opportunities. Thomas Stankovich, Chief Financial Officer of ReShape, will serve as Interim President and Chief Executive Officer until Mr. Hickey joins the company. Dan W. Gladney, current Chair of the Board of Directors, will assume a more active role as Executive Chair, supporting Mr. Hickey and the company on strategic matters.

“Paul is a proven leader with over 25 years of medical device commercialization experience, including leadership roles in marketing, research and development and reimbursement. Notably, as the former Senior Vice President of Marketing and Reimbursement at EnteroMedics, the predecessor company to ReShape, Paul possesses a close connection to our company, its vision and potential,” stated Mr. Gladney. “We look forward to leveraging his expertise and relationships as we continue to develop our pipeline of physician prescribed, insurance reimbursed weight loss solutions including the Lap-Band® Program, supportive reshapecare™ Virtual Health Coaching Platform and the ReShape Optimize™ line of supplements by ProCare Health, available on ReShape Marketplace™. As we welcome Paul, we also want to express our genuine thanks to Bart for his stewardship of ReShape during his time as President and Chief Executive Officer and wish him the best in his future endeavors. ReShape is poised for success, and we are confident that Paul is the right leader to build on the solid foundation we have in place today.”

“I am enthusiastic about the prospects for ReShape’s continued growth including its full suite of weight loss solutions, especially the Lap-Band® program and the demand generated by the multi-tiered direct-to-consumer (DTC) marketing campaign, thus far, which continues to be successful in driving patient engagement and filling surgeons’ pipeline for Lap-Band® procedures,” stated Mr. Hickey. “I look forward to working closely with the entire ReShape team to expand the company’s growth as it executes on its strategy to become the premier physician-led weight loss and metabolic health-solutions company.”

Prior to joining Reshape, since February 2020, Mr. Hickey was the President and Chief Executive Officer of Altimate Medical Holdings, Inc. which designs and manufactures rehabilitation medical equipment including its EasyStand brand. Previously, from 2018 to 2020, he served as the President and Chief Executive Officer of Vertebral Technologies, Inc., a medical device company focused on implantable spinal devices. Prior to that, from 2016 to 2017, Mr. Hickey was Senior Vice President of Marketing and Reimbursement for EnteroMedics (now ReShape Lifesciences™). Earlier in his career, he consulted for a variety of commercialized medical device companies and held positions of increasing responsibility at Zimmer Biomet. For the past four years, Mr. Hickey has served on the Board of Directors at Excelen Center for Bone and Joint Research and Education.

Mr. Hickey earned a Bachelor’s degree from the University of Michigan and a Master’s from Washington University in Saint Louis.

About ReShape Lifesciences™

ReShape Lifesciences™ is America's premier weight loss and metabolic health-solutions company, offering an integrated portfolio of proven products and services that manage and treat obesity and metabolic disease. The FDA-approved Lap-Band® Program provides minimally invasive, long-term treatment of obesity and is an alternative to more invasive surgical stapling procedures such as the gastric bypass or sleeve gastrectomy. The ReShape Vest™ System is an investigational (outside the U.S.) minimally invasive, laparoscopically implanted medical device that wraps around the stomach, emulating the gastric volume reduction effect of conventional weight-loss surgery. It helps enable rapid weight loss in obese and morbidly obese patients without permanently changing patient anatomy. reshapecare™ is a virtual weight-management program that supports lifestyle changes for all weight-loss patients led by board certified health coaches to help them keep the weight off over time. The recently launched ReShape Marketplace™ is an online collection of quality wellness products curated for all consumers to help them achieve their health goals. For more information, please visit www.reshapelifesciences.com.

Forward-Looking Safe Harbor Statement

This press release may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Actual results could differ materially from those discussed due to known and unknown risks, uncertainties, and other factors. These forward-looking statements generally can be identified by the use of words such as "expect," "plan," "anticipate," "could," "may," "intend," "will," "continue," "future," other words of similar meaning and the use of future dates. Forward-looking statements in this press release include statements about the company's growth prospects. These and additional risks and uncertainties are described more fully in the company's filings with the Securities and Exchange Commission, including those factors identified as "risk factors" in our most recent Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q. We are providing this information as of the date of this press release and do not undertake any obligation to update any forward-looking statements contained in this document as a result of new information, future events or otherwise, except as required by law.

CONTACTS

ReShape Lifesciences Investor Contact:

Thomas Stankovich
Chief Financial Officer
949-276-6042
ir@ReShapeLifesci.com

Investor Relations Contact:

Rx Communications Group
Michael Miller
(917)-633-6086
mmiller@rxir.com
