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): August 20, 2020

American Outdoor Brands, Inc.
(Exact Name of Registrant as Specified in Charter)

Delaware	**001-39366**	**84-4630928**
(State or other jurisdiction of incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

1800 North Route Z
Columbia, Missouri 65202
(Address of principal executive offices) (Zip Code)

(800) 338-9585
(Registrant's telephone number, including area code)

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 (see General Instruction A.2. below):

☐ 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, Par Value $0.001 per Share	**AOUT**	**Nasdaq Global Select Market**

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 §CRF 230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

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 1.01. Entry into a Material Definitive Agreement.

On August 24, 2020, or the Distribution Date, at 12:01 a.m. Eastern Time, the previously announced separation, or the Separation, of our company from Smith & Wesson Brands, Inc., a Nevada corporation, or SWBI, was completed. The Separation was achieved through the transfer of all the assets and legal entities, subject to any related liabilities, associated with the outdoor products and accessories business of SWBI to our company or our subsidiaries, which we refer to as the Transfer, and the distribution of 100% of our outstanding capital stock to holders of SWBI common stock as of the close of business on August 10, 2020, or the Record Date, which we refer to as the Distribution. In connection with the Distribution, SWBI stockholders received one share of our common stock for every four shares of SWBI common stock held as of the close of business on the Record Date. Following the Distribution, we became an independent, publicly traded company, and SWBI retains no ownership interest in our company.

Separation Agreements with SWBI

In connection with the Separation, on August 21, 2020, we entered into certain agreements with SWBI to effect the Separation and provide a framework for our relationship with SWBI after the Separation, including each of the following:

Separation and Distribution Agreement;
Transition Services Agreement;
Tax Matters Agreement; and
Employee Matters Agreement.

A summary of each of the foregoing agreements can be found in the section entitled “The Separation—Agreements with SWBI” contained in the information statement furnished as Exhibit 99.1 to our Current Report on Form 8-K filed with the Securities and Exchange Commission, or the SEC, on August 4, 2020, which summaries are incorporated by reference into this Item 1.01 as if restated in their entirety herein.

In addition, the descriptions of each of the Separation and Distribution Agreement, Transition Services Agreement, Tax Matters Agreement, and Employee Matters Agreement contained in the information statement do not purport to be complete, and such descriptions are qualified in their entirety by reference to the complete terms of those agreements, which are attached as Exhibit 2.1, Exhibit 10.1, Exhibit 10.2, and Exhibit 10.3, respectively, to this Current Report on Form 8-K and are incorporated by reference herein.

Commercial Agreements with SWBI

In connection with the Separation, on August 24, 2020, we also entered into certain commercial agreements with SWBI, including each of the following:

Trademark License Agreement;
Sublease;
Supply Agreement, or the Laser Supply Agreement; and
Supply Agreement, or the Accessories Supply Agreement.

A summary of each of the foregoing agreements can be found in the section entitled “The Separation—Agreements with SWBI” contained in the information statement furnished as Exhibit 99.1 to our Current Report on Form 8-K filed with the SEC on August 4, 2020, which summaries are incorporated by reference into this Item 1.01 as if restated in their entirety herein.

In addition, the descriptions of each of the Trademark License Agreement, Sublease, Laser Supply Agreement, and Accessories Supply Agreement contained in the information statement do not purport to be complete, and such descriptions are qualified in their entirety by reference to the complete terms of those agreements, which are attached as Exhibit 10.4, Exhibit 10.5, Exhibit 10.6, and Exhibit 10.7, respectively, to this Current Report on Form 8-K and are incorporated by reference herein.

Loan and Security Agreement

On August 24, 2020, we and certain of our direct and indirect Subsidiaries entered into a secured loan and security agreement, or the Loan and Security Agreement, with certain lenders and TD Bank, N.A., as a lender and as agent. AOB Products Company, a Missouri corporation, and Crimson Trace Corporation, an Oregon corporation, our Subsidiaries, are the borrowers under the Loan and Security Agreement. We and certain of our other direct and indirect Subsidiaries are guarantors of the borrowers' obligations under the Loan and Security Agreement. Capitalized terms not otherwise defined in this Item 1.01, Loan and Security Agreement, will have the meanings set forth in the Loan and Security Agreement.

The Loan and Security Agreement provides for the following:

1. A revolving line of credit in the amount of $50.0 million at any one time, or the Revolving Line. Each Loan under the Revolving Line bears interest at either the Base Rate, plus the Applicable Margin or the Adjusted LIBOR Rate for the Interest Period in effect for such borrowing, plus the Applicable Margin; and

2. A swingline facility in the maximum amount of $10.0 million at any one time (subject to availability under the Revolving Line). Each Swingline Loan bears interest at the Base Rate, plus the Applicable Margin.

Subject to the satisfaction of certain terms and conditions described in the Loan and Security Agreement, we have an option to increase the Revolving Line by an aggregate amount not exceeding $15.0 million. The Revolving Line matures on August 24, 2025.

The Loan and Security Agreement contains customary limitations, including limitations on indebtedness, liens, fundamental changes to business or organizational structure, investments, loans, advances, guarantees, and acquisitions, asset sales, dividends, stock repurchases, stock redemptions, and the redemption or prepayment of other debt, and transactions with affiliates. We are also subject to financial covenants, including a minimum consolidated fixed charge coverage ratio.

The Loan and Security Agreement also contains customary events of default, including nonpayment of principal, interest, fees, or other amounts when due, violation of covenants, breaches of representations or warranties, cross defaults, change of control, insolvency, bankruptcy events, and material judgments. Some of these events of default allow for grace periods or are qualified by materiality concepts. Upon the occurrence of an event of default, the outstanding obligations under the Loan and Security Agreement may be accelerated and become due and payable immediately.

The description of the Loan and Security Agreement does not purport to be complete, and such description is qualified in its entirety by reference to the complete terms of the Loan and Security Agreement, which is attached as Exhibit 10.16 to this Current Report on Form 8-K and is incorporated by reference herein.

Item 2.01. Completion of Acquisition or Disposition of Assets.

The description of the Separation set forth under Item 1.01 of this Current Report on Form 8-K is incorporated by reference into this Item 2.01.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The description of the Loan and Security Agreement set forth under Item 1.01 of this Current Report on Form 8-K is incorporated by reference in this Item 2.03.

Item 3.02. Unregistered Sales of Equity Securities.

On August 21, 2020, we and SWBI entered into various transactions, including the transfer by SWBI to us of the assets, including the various legal entities that are subsidiaries of SWBI, subject to any related liabilities, associated with the outdoor products and accessories business of SWBI, in exchange for the issuance by us to SWBI of 13,975,103 shares of our common stock in a transaction exempt from registration under the Securities Act of 1933, as amended, in reliance on Section 4(a)(2) of the Securities Act as not involving a public offering. Subsequently, SWBI distributed all of the 13,975,104 issued and outstanding shares of common stock to SWBI stockholders on a pro rata basis. See “Item 1.01. Entry into a Material Definitive Agreement” and “Item 2.01. Completion of the Acquisition or Disposition of Assets.”

Item 3.03. Material Modification to Rights of Security Holders.

The information set forth under Item 5.03 of this Current Report on Form 8-K is incorporated by reference into this Item 3.03.

Item 4.01. Changes in Registrant’s Certifying Accountant.

On August 24, 2020, the Audit Committee of our Board of Directors engaged Grant Thornton LLP as our new independent registered public accounting firm.

During the fiscal years ended April 30, 2020 and 2019 and the subsequent interim period through and including August 24, 2020, we did not consult with Grant Thornton LLP regarding either (i) the application of accounting principles to a specified transaction, either completed or proposed; or the type of audit opinion that might be rendered on our financial statements, and no written report or oral advice was provided that Grant Thornton LLP concluded was an important factor considered by us in reaching a decision as to the accounting, auditing, or financial reporting issue; or (ii) any matter that was either the subject of a “disagreement” as that term is defined in Item 304(a)(1)(iv) of Regulation S-K or a “reportable event” as that term is defined in Item 304(a)(1)(v) of Regulation S-K.

Prior to the Separation, we were a wholly owned subsidiary of SWBI, for which Deloitte & Touche LLP serves as independent registered public accountant.

Item 5.01. Changes in Control of Registrant.

Immediately prior to the Distribution, we were a wholly owned subsidiary of SWBI. Following the Distribution, we became an independent, publicly traded company, and SWBI retains no ownership interest in our company. The description of the Separation set forth under Item 1.01 of this Current Report on Form 8-K is incorporated by reference into this Item 2.01.

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

Appointment of Directors

On August 23, 2020, the size of our Board of Directors was increased from one to five members. Each of Barry M. Monheit, Mary E. Gallagher, Gregory J. Gluchowski, Jr., and I. Marie Wadecki were appointed to the Board of Directors to fill the vacancies created by the increase in the size of the Board of Directors. Brian D. Murphy, our President and Chief Executive Officer, was appointed to the Board of Directors effective January 28, 2020, and will continue to serve as a director. On August 24, 2020, Barry M. Monheit was appointed to serve as non-executive Chairman of the Board.

Biographical information for each member of the Board of Directors can be found in the section entitled "Management—Board of Directors Following the Separation" contained in the information statement furnished as Exhibit 99.1 to our Current Report on Form 8-K filed with the SEC on August 4, 2020, which section is incorporated by reference into this Item 5.02 as if restated in its entirety herein.

On August 24, 2020, the following directors were appointed to serve on the following committees:

***Audit Committee*:** Mses. Gallagher and Wadecki and Mr. Gluchowski were appointed as members of the Audit Committee of our Board of Directors. Ms. Gallagher will chair the Audit Committee.

***Compensation Committee*:** Messrs. Gluchowski and Monheit and Ms. Wadecki were appointed as members of the Compensation Committee of our Board of Directors. Mr. Gluchowski will chair the Compensation Committee.

***Nominations and Corporate Governance Committee*:** Messrs. Gluchowski and Monheit and Ms. Wadecki were appointed as members of the Nominations and Corporate Governance Committee of our Board of Directors. Ms. Wadecki will chair the Nominations and Corporate Governance Committee.

Each of our non-employee directors will receive an annual retainer in the amount of $70,000. We will also pay additional sums to our Chairman of the Board, chairs of our board committees, and members of our board committees as follows:

Chairman of the Board	$37,500
Chair, Audit Committee	$25,000
Chair, Compensation Committee	$25,000
Chair, Nominations and Corporate Governance Committee	$25,000
Non-Chair Audit Committee Members	$ 8,000
Non-Chair Compensation Committee Members	$ 8,000
Non-Chair Nominations and Corporate Governance Committee Members	$ 8,000

In addition, each member of the Audit Committee will receive an additional $1,500 per Audit Committee meeting attended in excess of seven meetings per year; each member of the Compensation Committee will receive an additional $1,500 per Compensation Committee meeting attended in excess of six meetings per year; and each member of the Nominations and Corporate Governance Committee will receive an additional $1,500 per Nominations and Corporate Governance Committee meeting attended in excess of six meetings per year. We will also reimburse each director for travel and related expenses incurred in connection with attendance at Board of Director and committee meetings. Employees who also serve as directors will receive no additional compensation for their services as a director.

Each non-employee director will receive a stock-based grant to acquire shares of our common stock upon his or her appointment or election to our Board of Directors. Each non-employee director will also receive a stock-based grant at the meeting of our Board of Directors held immediately following our annual meeting of stockholders for that year.

There are no arrangements or understandings between any of the individuals listed above and any other person pursuant to which such individuals were selected as directors. There are no transactions involving any of the individuals listed above that would be required to be reported under Item 404(a) of Regulation S-K.

Classification of the Board of Directors

Our Board of Directors is divided into three classes: Class I directors, Class II directors, and Class III directors. The directors designated as Class I directors will have terms expiring at the first annual meeting of stockholders following the completion of the Distribution, which we expect to hold in 2021. The directors designated as Class II directors will have terms expiring at the following year's annual

meeting of stockholders, which we expect to hold in 2022, and the directors designated as Class III directors will have terms expiring at the following year's annual meeting of stockholders, which we expect to hold in 2023. Following the consummation of the Distribution, (i) Mr. Murphy and Ms. Gallagher became Class I directors, (ii) Mr. Gluchowski and Ms. Wadecki became Class II directors, and (iii) Mr. Monheit became a Class III director.

Executive Officers

Mr. Murphy was previously appointed as our President and Chief Executive Officer and H. Andrew Fulmer was previously appointed as our Executive Vice President, Chief Financial Officer, and Treasurer. Each will continue to serve in such capacity following the Separation.

Biographical information for each of the executive officers can be found in the section entitled "Management—Executive Officers Following the Separation" contained in the information statement furnished as Exhibit 99.1 to our Current Report on Form 8-K filed with the SEC on August 4, 2020, which section is incorporated by reference into this Item 5.02 as if restated in its entirety herein.

Employment Agreement with Brian D. Murphy

On April 4, 2020, SWBI entered into an Employment Agreement with Mr. Murphy, as its Co-President and Co-Chief Executive Officer, effective as of January 15, 2020. In connection with the Separation, we assumed such Employment Agreement and Mr. Murphy resigned from all positions with SWBI and its subsidiaries and continues as the President and Chief Executive Officer of our company and continues to serve in such capacity pursuant to the terms of such employment agreement.

A summary of the Employment Agreement can be found in the section entitled "Executive Compensation—Employment Agreements and Severance Arrangements with Our Named Executive Officers—Employment Agreements" contained in the information statement furnished as Exhibit 99.1 to our Current Report on Form 8-K filed with the SEC on August 4, 2020, which summary is incorporated by reference into this Item 5.02 as if restated in its entirety herein.

In addition, the description of the Employment Agreement contained in the information statement does not purport to be complete, and such description is qualified in its entirety by reference to the complete terms of the Employment Agreement, which is attached as Exhibit 10.13 to this Current Report on Form 8-K and is incorporated by reference herein.

Executive Severance Pay Plan

On August 24. 2020, we adopted an Executive Severance Pay Plan. A summary of the Executive Severance Pay Plan can be found in the section entitled "Executive Compensation—Employment Agreements and Severance Arrangements with Our Named Executive Officers—Executive Severance Pay Plan" contained in the information statement furnished as Exhibit 99.1 to our Current Report on Form 8-K filed with the SEC on August 4, 2020, which summary is incorporated by reference into this Item 5.02 as if restated in its entirety herein.

In addition, the description of the Executive Severance Pay Plan contained in the information statement does not purport to be complete, and such description is qualified in its entirety by reference to the complete terms of the Executive Severance Pay Plan, which is attached as Exhibit 10.14 to this Current Report on Form 8-K and is incorporated by reference herein.

2020 Employee Stock Purchase Plan

On August 21, 2020, our 2020 Employee Stock Purchase Plan became effective following its approval and adoption by our Board of Directors and sole stockholder. A summary of the Employee Stock Purchase Plan can be found in the section entitled "Executive Compensation—Employee Stock Purchase Plan" contained in the information statement furnished as Exhibit 99.1 to our Current Report on Form 8-K filed with the SEC on August 4, 2020, which summary is incorporated by reference into this Item 5.02 as if restated in its entirety herein.

In addition, the description of the Employee Stock Purchase Plan contained in the information statement does not purport to be complete, and such description is qualified in its entirety by reference to the complete terms of the Employee Stock Purchase Plan, which is attached as Exhibit 10.12 to this Current Report on Form 8-K and is incorporated by reference herein.

2020 Incentive Compensation Plan

On August 21, 2020, our 2020 Incentive Compensation Plan became effective following its approval and adoption by our Board of Directors and sole stockholder. A summary of the Incentive Compensation Plan can be found in the section entitled "Executive Compensation—Incentive Compensation Plan" contained in the information statement furnished as Exhibit 99.1 to our Current Report on Form 8-K filed with the SEC on August 4, 2020, which summary is incorporated by reference into this Item 5.02 as if restated in its entirety herein.

In addition, the description of the Incentive Compensation Plan contained in the information statement does not purport to be complete, and such description is qualified in its entirety by reference to the complete terms of the Incentive Compensation Plan, which is attached as Exhibit 10.8 to this Current Report on Form 8-K and is incorporated by reference herein.

Indemnification Agreements

On August 24, 2020, each of our directors and executive officers entered into an Indemnification Agreement with us. These agreements require us to indemnify and advance litigation expenses incurred by such individuals by reason of (i) their status as directors and/or officers of our company, (ii) their service in any capacity with respect to an employee benefit plan of our company or one or more of our majority owned subsidiaries, or (iii) their service as directors, officers, managers, general partners, trustees, employees, or agents of another entity (including a majority owned subsidiary of our company) at our request while directors and/or officers of our company to the fullest extent permitted by applicable law.

The foregoing description of the Indemnification Agreements do not purport to be complete, and such description is qualified in its entirety by reference to the complete form of that agreement, which is attached as Exhibit 10.15 to this Current Report on Form 8-K and is incorporated by reference herein.

Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

On August 20, 2020, our certificate of incorporation was amended and restated in its entirety, or the Amended and Restated Certificate of Incorporation. On August 24, 2020, effective as of immediately prior to the Distribution, our bylaws were amended and restated in their entirety, or the Amended and Restated Bylaws. A description of the material provisions of the Amended and Restated Certificate of Incorporation and the Amended and Restated Bylaws can be found in the section entitled "Description of Capital Stock" contained in the information statement furnished as Exhibit 99.1 to our Current Report on Form 8-K filed with the SEC on August 4, 2020, which description is incorporated by reference into this Item 5.03 as if restated in its entirety herein. In addition, the description of the Amended and Restated

Certificate of Incorporation and the Amended and Restated Bylaws contained in the information statement does not purport to be complete, and such description is qualified in its entirety by reference to the complete terms of the Amended and Restated Certificate of Incorporation and the Amended and Restated Bylaws, which are attached as Exhibit 3.1 and Exhibit 3.2, respectively, to this Current Report on Form 8-K and are incorporated by reference herein.

Item 8.01. Other Events.

On August 25, 2020, we issued a press release announcing the completion of the Separation. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference herein.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

Exhibit Number	Exhibits
2.1*	Separation and Distribution Agreement, dated as of August 21, 2020, by and between Smith & Wesson Brands, Inc. and the Registrant
3.1	Amended and Restated Certificate of Incorporation
3.2	Amended and Restated Bylaws
10.1	Transition Services Agreement, dated as of August 21, 2020, by and between Smith & Wesson Brands, Inc. and the Registrant
10.2	Tax Matters Agreement, dated as of August 21, 2020, by and between Smith & Wesson Brands, Inc. and the Registrant
10.3	Employee Matters Agreement, dated as of August 21, 2020, by and between Smith & Wesson Brands, Inc. and the Registrant
10.4*	Trademark License Agreement, dated as of August 24, 2020, by and between Smith & Wesson Inc. and AOB Products Company, a wholly owned subsidiary of the Registrant
10.5*	Sublease, dated as of August 24, 2020, by and between Smith & Wesson Sales Company and the Registrant
10.6*	Supply Agreement, dated as of August 24, 2020, by and between Crimson Trace Corporation, a wholly owned subsidiary of the Registrant, as Supplier, and Smith & Wesson Inc.
10.7*	Supply Agreement, dated as of August 24, 2020, by and between AOB Products Company, a wholly owned subsidiary of the Registrant, as Supplier, and Smith & Wesson Inc.
10.8+	2020 Incentive Compensation Plan

10.9+	Form of Non-Qualified Stock Option Award Grant Notice and Agreement to the 2020 Incentive Compensation Plan
10.10+	Form of Restricted Stock Unit Award Grant Notice and Agreement to the 2020 Incentive Compensation Plan
10.11+	Form of Performance Stock Unit Award Grant Notice and Agreement to the 2020 Incentive Compensation Plan
10.12+	2020 Employee Stock Purchase Plan
10.13+	Employment Agreement by and between the Registrant and Brian D. Murphy
10.14+	Executive Severance Pay Plan
10.15	Form of Indemnification Agreement entered into between the Registrant and each of its directors and executive officers
10.16*	Loan and Security Agreement, dated as of August 24, 2020, by and among AOB Products Company, Crimson Trace Corporation, American Outdoor Brands, Inc., Battenfeld Acquisition Company Inc., BTI Tools, LLC, Ultimate Survival Technologies, LLC, AOBC Asia Consulting, LLC, TD Bank, N.A., and the other banks, financial institutions, and other entities from time to time parties thereto
99.1	Press release from the Registrant, dated August 25, 2020, entitled “American Outdoor Brands, Inc. Completes Spin-off from Smith & Wesson”
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

+ Management contract or compensatory plan or arrangement.

* Schedules and/or exhibits have been omitted from this filing pursuant to Item 601(a)(5) of Regulation S-K. We agree to furnish supplementally a copy of any omitted schedule or exhibit to the Securities and Exchange Commission upon request.

SIGNATURES

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

AMERICAN OUTDOOR BRANDS, INC.

Date: August 26, 2020

By: *H. Andrew Fulmer*
H. Andrew Fulmer
Executive Vice President, Chief Financial Officer, and Treasurer

Exhibit 2.1

SEPARATION AND DISTRIBUTION AGREEMENT

by and between

SMITH & WESSON BRANDS, INC.

and

AMERICAN OUTDOOR BRANDS, INC.

Dated as of August 21, 2020

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EXHIBITS

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Exhibit C	Trademark License Agreement
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Exhibit E	Amended and Restated Certificate of Incorporation
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ANNEXES

Annex A	Transfer Plan

SEPARATION AND DISTRIBUTION AGREEMENT

THIS SEPARATION AND DISTRIBUTION AGREEMENT (together with the Schedules and Annex hereto, as amended, amended and restated, supplemented, or modified from time to time, this "Agreement"), is entered into as of August 21, 2020, by and between Smith & Wesson Brands, Inc., a Nevada corporation ("SWBI"), and American Outdoor Brands, Inc., a Delaware corporation ("AOUT").

RECITALS

Capitalized terms used in these recitals without definition have the meanings set forth in Section 1.1.

WHEREAS, the Board of Directors of SWBI has determined that it is in the best interests of SWBI and its stockholders to separate the Outdoor Products and Accessories Business from the Firearm Business;

WHEREAS, AOUT is a wholly owned Subsidiary of SWBI that has been incorporated for the sole purpose of, and has not engaged in activities except in preparation for, the Distribution and the transactions contemplated by this Agreement;

WHEREAS, in furtherance of the foregoing, the Board of Directors of SWBI has determined that it is in the best interests of SWBI and its stockholders to distribute to the holders of the issued and outstanding shares of common stock, par value $0.001 per share, of SWBI (the "SWBI Common Stock") as of the Record Date, by means of a pro rata dividend, 100% of the issued and outstanding shares of common stock, par value $0.001 per share, of AOUT (the "AOUT Common Stock"), on the basis of one share of AOUT Common Stock for every four then issued and outstanding shares of SWBI Common Stock (the "Distribution");

WHEREAS, SWBI and AOUT have prepared, and AOUT has filed with the Commission, the Form 10, which includes the Information Statement, and which sets forth appropriate disclosures concerning AOUT and the Distribution, and the Form 10 has become effective under the Exchange Act;

WHEREAS, the Distribution will be preceded by, among other things, (a) the Transfer, pursuant to which, among other things, the AOUT Assets will be contributed to AOUT (the "Contribution"), and (b) the entry by AOUT into the AOUT Financing Arrangements;

WHEREAS, for United States federal income tax purposes, it is intended that the Contribution and the Distribution, taken together, will qualify as a "reorganization" within the meaning of Section 368(a)(1)(D) of the Internal Revenue Code of 1986, as amended (the "Code"), and a distribution to which Section 355 of the Code applies, and it is a condition to the Distribution that SWBI will have obtained the Tax Opinion to such effect as contemplated by Section 3.1(a)(x);

WHEREAS, this Agreement, together with the Ancillary Agreements and other documents implementing the Contribution and Distribution, is intended to be, and is hereby adopted as, a "plan of reorganization" within the meaning of Treas. Reg. Section 1.368-2(g); and

WHEREAS, the parties hereto have determined to set forth the principal actions required to effect the Distribution and to set forth certain agreements that will govern the relationship between those parties following the Distribution.

NOW THEREFORE, in consideration of the mutual covenants contained in this Agreement, the parties hereby agree as follows:

ARTICLE 1
DEFINITIONS

Section 1.1 Definitions(a) . As used in this Agreement, the following terms have the following meanings:

"Action" means any demand, claim, suit, action, arbitration, inquiry, investigation, or other proceeding by or before any Governmental Authority or any arbitration or mediation tribunal.

"Affiliate" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with, such other Person. For the purposes of this definition, "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by Contract, or otherwise, and the terms "controlling" and "controlled" have meanings correlative to the foregoing. Notwithstanding any provision of this Agreement to the contrary (except where the relevant provision states explicitly to the contrary), no member of the SWBI Group, on the one hand, and no member of the AOUT Group, on the other hand, shall be deemed to be an Affiliate of the other.

"Agreement" has the meaning set forth in the preamble to this Agreement.

"Amended and Restated Bylaws" has the meaning set forth in Section 2.2(c).

"Amended and Restated Certificate of Incorporation" has the meaning set forth in Section 2.2(c).

"Ancillary Agreement" means each of the Tax Matters Agreement, the Transition Services Agreement, the Employee Matters Agreement, the Transfer Agreements, the Post-Distribution Commercial Agreements, the Sublease, the Trademark License Agreement, and any other agreements, instruments, or certificates related thereto or to the transactions contemplated by this Agreement (in each case, together with the schedules, exhibits, annexes, and other attachments thereto).

"AOUT" has the meaning set forth in the preamble to this Agreement.

"AOUT Assets" means, except as expressly otherwise contemplated in this Agreement or any Ancillary Agreement, all right, title, and interest of SWBI and/or its Subsidiaries in the following assets (as determined by SWBI in its sole discretion):

(a) all interests of whatever nature in the real property listed on Schedule 1.1(a), together with all buildings, fixtures, and improvements erected thereon (the "AOUT Facilities");

(b) all interests in personal property, fixtures, machinery, furniture, office equipment, automobiles, motor vehicles, and other transportation equipment, special and general tools, test devices, prototypes and models, and other tangible personal property (other than any Intellectual Property) located at the AOUT Facilities;

(c) all inventories of materials, supplies, goods in transit, customer returns, and work-in-process and finished goods and products, in each case of whatever kind, nature, or description, in each case solely to the extent exclusively related to or exclusively used or exclusively held for use in connection with the Outdoor Products and Accessories Business;

(d) all interests in any capital stock or other equity securities or interests of or in any member of the AOUT Group;

(e) all deposits, letters of credit, and performance and surety bonds, in each case solely to the extent exclusively related to or exclusively used or exclusively held for use in connection with the Outdoor Products and Accessories Business;

(f) all prepaid expenses, trade accounts, and other accounts and notes receivable, in each case solely to the extent exclusively related to or exclusively used or exclusively held for use in connection with the Outdoor Products and Accessories Business;

(g) the Patent Rights listed on Schedule 1.1(b) and all other Intellectual Property (other than Patent Rights) solely to the extent exclusively used or exclusively held for use in connection with the Outdoor Products and Accessories Business, including such other Intellectual Property (including software) listed on Schedule 1.1(d) (and excluding the Intellectual Property listed on Schedule 1.1(c));

(h) the IT Assets set forth on Schedule 1.1(d) and all IT Assets solely to the extent exclusively related to or exclusively used or exclusively held for use in connection with the Outdoor Products and Accessories Business;

(i) all Contracts (including Contracts related to Intellectual Property and IT Assets) and any rights thereunder, in each case solely to the extent primarily related to or primarily used or primarily held for use in connection with the Outdoor Products and Accessories Business, including the Contracts set forth on Schedule 1.1(e);

(j) all claims, causes of action, and similar rights, whether accrued or contingent, in each case solely to the extent primarily related to the Outdoor Products and Accessories Business;

(k) all employee Contracts with any AOUT Participants, including the right thereunder to restrict any AOUT Participant from competing in certain respects;

(l) all Permits exclusively related to or exclusively used or exclusively held for use in connection with the Outdoor Products and Accessories Business;

(m) Cash and Cash Equivalents solely to the extent (i) located at the AOUT Facilities or (ii) exclusively related to or exclusively used or exclusively held for use in connection with the Outdoor Products and Accessories Business;

(n) subject to the foregoing clause (m), all bank accounts, lock boxes, and other deposit arrangements, and all brokerage accounts, in each case solely to the extent (i) located at the AOUT Facilities or (ii) exclusively related to or exclusively used or exclusively held for use in connection with the Outdoor Products and Accessories Business;

(o) all accounting and other legal and business books, records, minute books, corporate documents, ledgers, and files and all personnel records, in each case, whether printed, electronic, contained on storage media or written, or in any other form, in each case solely to the extent primarily related to or primarily used or primarily held for use in connection with the Outdoor Products and Accessories Business;

(p) (i) all Confidential Information, (ii) all cost information, sales and pricing data, supplier records, supplier lists, vendor data, correspondence, and lists, and (iii) all product data and literature, brochures, marketing and sales literature, advertising catalogues, photographs, display materials, media materials, packaging materials, artwork, designs, formulations and specifications, quality records, and reports (other than any Intellectual Property in any of the foregoing and excluding any Commercial Data), in each case solely to the extent primarily related to or primarily used or primarily held for use in connection with the Outdoor Products and Accessories Business;

(q) all Commercial Data to the extent primarily related to or primarily used or primarily held for use in connection with the Outdoor Products and Accessories Business (for the avoidance of doubt, the parties acknowledge and agree that neither SWBI nor any member of the SWBI Group is receiving any money or other valuable consideration in exchange for AOUT's retention and use of the consumer database of purchasers of firearm and accessories products branded with trademarks owned by the SWBI Group);

(r) all goodwill associated with the Outdoor Products and Accessories Business or the assets described in clauses (a)-(q) and (s) of this definition; and

(s) any other assets, of whatever sort, nature, or description, that are exclusively related to or exclusively used or exclusively held for use in connection with the Outdoor Products and Accessories Business, including the assets set forth on Schedule 1.1(f).

"AOUT Assumed Actions" has the meaning set forth in Section 4.2(a).

"AOUT Common Stock" has the meaning set forth in the recitals to this Agreement.

"AOUT Credit Facility" means that certain loan and security agreement to be dated on or around August 24, 2020, by and among AOB Products Company and Crimson Trace Corporation, each a direct or indirect Subsidiary of AOUT, any other Borrowers (as defined therein) from time to time parties thereto, the several banks and other financial institutions or entities from time to time parties thereto, and TD Bank, N.A., as administrative agent, as such agreement may be amended, amended and restated, supplemented, or modified from time to time.

"AOUT Designee" has the meaning set forth in Section 2.3(a).

"AOUT Financing Arrangements" means (a) the AOUT Credit Facility and (b) the other Loan Documents (as defined in the AOUT Credit Facility).

"AOUT Financing Transactions" has the meaning set forth in Section 2.2(b).

"AOUT Group" means AOUT and its Subsidiaries as set forth on Schedule 1.1(g), including all predecessors and successors to such Persons.

"AOUT Indemnitees" and "AOUT Indemnitee" have the meanings set forth in Section 5.3(a).

"AOUT Liabilities" means (without duplication) all of the following of SWBI and/or its Subsidiaries (as determined by SWBI in its sole discretion):

(a) any and all Liabilities to the extent relating to, arising out of or in connection with, or resulting from the Outdoor Products and Accessories Business, the business and operation of the AOUT Assets, as currently or formerly operated (including as conducted or operated by any predecessor of any member of the SWBI Group or the AOUT Group), including the following Liabilities:

(i) all Liabilities relating to, arising out of or in connection with, or resulting from the AOUT Financing Arrangements;

(ii) any and all Environmental Liabilities to the extent relating to, arising out of or in connection with, or resulting from the AOUT Assets or the Outdoor Products and Accessories Business, as currently or formerly operated (including as conducted or operated by any predecessor of any member of the SWBI Group or the AOUT Group), and any currently or formerly owned, leased, or operated real property, facilities, factories, or manufacturing sites of the foregoing, including the Environmental Liabilities set forth on Schedule 1.1(h);

(iii) all Liabilities set forth on Schedule 1.1(i); and

(b) all Liabilities that are expressly contemplated by this Agreement or any of the Ancillary Agreement as Liabilities to be retained or assumed by AOUT or any other member of the AOUT Group, and all agreements, obligations, and other Liabilities of AOUT or any member of the AOUT Group under this Agreement or any of the Ancillary Agreements;

provided that, notwithstanding the foregoing, the AOUT Liabilities shall not include (i) any Liabilities for Taxes, which shall be governed by the Tax Matters Agreement, or (ii) any Liabilities for the employment, employee benefits, and employee compensation matters expressly covered by the Employee Matters Agreement, all of which shall be governed by the Employee Matters Agreement.

"AOUT Names and Marks" means any and all Trademarks of AOUT or any of its Affiliates (other than any Trademark included in the SWBI Assets), including, for the avoidance of doubt, those set forth on Schedule 1.1(b) and any that use, contain, or include "American Outdoor Brands," in each case either alone or in combination with other words, phrases, or logos, and any and all Trademarks derived therefrom or confusingly similar thereto.

"AOUT Participants" has the meaning set forth in the Employee Matters Agreement.

"Applicable Law" means, with respect to any Person, any federal, state, local, or foreign law (statutory, common, or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling, directive, guidance, instruction, direction, permission, waiver, notice, condition, limitation, restriction or prohibition, or other similar requirement enacted, adopted, promulgated, imposed, issued, or applied by a Governmental Authority that is binding upon or applicable to such Person, its properties or assets, or its business or operations.

"Business" means, with respect to the SWBI Group, the Firearm Business and, with respect to the AOUT Group, the Outdoor Products and Accessories Business.

"Business Day" means any day, other than Saturday, Sunday, or other day on which commercial banks in New York, New York are authorized or required by Applicable Law to close.

"Cash and Cash Equivalents" means cash or cash equivalents, certificates of deposit, banker's acceptances, and other investment securities of any form or maturity.

"Claim" has the meaning set forth in Section 5.4(a).

"Code" has the meaning set forth in the recitals to this Agreement.

"Commercial Data" means any and all data and information relating to an identified or identifiable Person (whether the information is accurate or not), alone or in combination with other information, which Person is or was an actual or prospective customer of, or consumer of products offered by, the Outdoor Products and Accessories Business and/or the Firearm Business, as applicable.

"Commission" means the United States Securities and Exchange Commission.

"Confidential Information" means, with respect to a Group, (a) any proprietary information that is competitively sensitive, material, or otherwise of value to the members of such Group and not generally known to the public, including product planning information, marketing strategies, financial information, information regarding operations, consumer and/or customer relationships, consumer and/or customer profiles, sales estimates, business plans, and internal performance results relating to the past, present, or future business activities of the members of such Group and the consumers, customers, clients, and suppliers of the members of such Group, (b) any proprietary scientific or technical information, design, invention, process, procedure, formula, or improvement that is commercially valuable and secret in the sense that its confidentiality affords any member of such Group a competitive advantage over its competitors, and (c) all confidential or proprietary concepts, documentation, reports, data, specifications, computer software, source code, object code, flow charts, databases, inventions, information, and trade secrets, in the case of each of clauses (a), (b), and (c) of this definition, that are related primarily to such Group's Business; provided that to the extent both the Firearm Business and the Outdoor Products and Accessories Business use or rely upon any of the information described in any of the foregoing clauses (a), (b), and/or (c), subject to Section 4.7, such information shall be deemed the Confidential Information of both the SWBI Group and the AOUT Group.

"Contract" means any written or oral commitment, contract, subcontract, agreement, arrangement, sublease, license, understanding, sales order, purchase order, instrument, indenture, note, or any other legally binding commitment or undertaking.

"Contribution" has the meaning set forth in the recitals to this Agreement.

"Cyber Event" means any actual unauthorized, accidental, or unlawful access, use, exfiltration, theft, disablement, destruction, loss, alteration, disclosure, transmission of any IT Assets owned or used by or on behalf of either party or any member of its Group, or any information or data (including any personally identifiable information) stored therein or transmitted thereby.

"Cyber Insurance Event" has the meaning set forth in Section 4.10(c).

"Cyber Policies" has the meaning set forth in Section 4.10(c).

"Delaware Courts" has the meaning set forth in Section 6.9.

"Disposing Party" has the meaning set forth in Section 4.5.

"Distribution" has the meaning set forth in the recitals to this Agreement.

"Distribution Agent" means Issuer Direct Corporation.

"Distribution Date" means August 24, 2020, the date on which the Distribution shall be effected.

"Distribution Documents" means this Agreement and the Ancillary Agreements.

"Distribution Time" means the time at which the Distribution is effective on the Distribution Date, which shall, to the fullest extent permitted by Applicable Law, be deemed to be 12:01 a.m. Eastern Time on the Distribution Date.

"Employee Matters Agreement" means the Employee Matters Agreement, dated as of the date hereof, by and between SWBI and AOUT, substantially in the form of Exhibit A attached hereto, as such agreement may be amended, amended and restated, supplemented, or modified from time to time.

"Environmental Law" means any Applicable Law relating to (a) human or occupational health and safety, (b) pollution or protection of the environment (including ambient air, indoor air, water vapor, surface water, groundwater, wetlands, drinking water supply, land surface or subsurface strata, biota, and other natural resources), or (c) Hazardous Materials, including any Applicable Law relating to exposure to, or use, generation, manufacture, processing, management, treatment, recycling, storage, disposal, emission, discharge, transport, distribution, labeling, presence, possession, handling, Release, or threatened Release of, any Hazardous Material and any Applicable Law relating to recordkeeping, notification, disclosure, registration, and reporting requirements respecting Hazardous Materials.

"Environmental Liabilities" means all Liabilities (including all removal, remediation, reclamation, cleanup or monitoring costs, investigatory costs, response costs, natural resources damages, property damages, personal injury damages, costs of compliance with any settlement, judgment, or other determination of Liability and indemnity, contribution, or similar obligations and all costs and expenses, interest, fines, penalties, or other monetary sanctions in connection therewith) relating to, arising out of, or resulting from any (a) (i) Environmental Law, (ii) actual or alleged generation, use, storage, manufacture, processing, recycling, labeling, handling, possession, management, treatment, transportation, distribution, emission, discharge or disposal, or arrangement for the transportation or disposal, of any Hazardous Material, or (iii) actual or alleged presence, Release or threatened Release of, or exposure to, any Hazardous Material (including to the extent relating to the actual or alleged exposure to Hazardous Material, any claims that arise under, or are covered by, workers' compensation laws and/or workers' compensation, disability, or other insurance providing medical care and/or compensation to injured workers), or (b) Contract or other consensual arrangement pursuant to which Liability is assumed or imposed with respect to any of the foregoing, and all costs and expenses, interest, fines, penalties, or other monetary sanctions in connection therewith.

"Equity Compensation Registration Statement" means the Registration Statement on Form S-8 or on such other form or forms as may be appropriate, as amended, supplemented, or modified from time to time, including all documents incorporated by reference therein, to effect the registration under the Securities Act of the AOUT Common Stock subject to certain equity awards granted to current and former officers, employees, and directors of the SWBI Group to be assumed or replaced by AOUT pursuant to the Employee Matters Agreement.

"Escheat Payment" means any payment required to be made to a Governmental Authority pursuant to an abandoned property, escheat, or similar law.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Firearm Business" means all of the businesses conducted by SWBI and its Subsidiaries from time to time, whether before, on, or after the Distribution, other than the Outdoor Products and Accessories Business. For the avoidance of doubt, the AOUT Assets (and all assets and properties owned, directly or indirectly, by entities forming all or part of such assets) will not be considered part of the Firearm Business.

"Form 10" means the Registration Statement on Form 10 filed by AOUT with the Commission to effect the registration of AOUT Common Stock pursuant to the Exchange Act in connection with the Distribution, as such Registration Statement may be amended, supplemented, or modified from time to time.

"Governmental Authority" means any multinational, foreign, federal, state, local, or other governmental, statutory, or administrative authority, regulatory body, or commission or any court, tribunal, or judicial or arbitral authority which has any jurisdiction or control over either party (or any of their Affiliates).

"Group" means, as the context requires, the AOUT Group, the SWBI Group, or either or both of them.

"Guarantee" has the meaning set forth in Section 2.9.

"Hazardous Material" means (a) any petroleum or petroleum products, radioactive materials, toxic mold, radon, asbestos, or asbestos-containing materials in any form, lead-based paint, urea formaldehyde foam insulation, Per- and Polyfluoroalkyl Substances (PFAs), or polychlorinated biphenyls (PCBs); and (b) any chemicals, materials, substances, compounds, mixtures, products or byproducts, biological agents, living or genetically modified materials, pollutants, contaminants, or wastes that are now or hereafter become defined or characterized as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "extremely hazardous wastes," "restricted hazardous wastes," "special waste," "toxic substances," "pollutants," "contaminants," "toxic," "dangerous," "corrosive," "flammable," "reactive," "radioactive," or words of similar import, under any Applicable Law pertaining to the environment.

"Indemnified Party" has the meaning set forth in Section 5.4(a).

"Indemnifying Party" has the meaning set forth in Section 5.4(a).

"Indemnitees" means, as the context requires, the SWBI Indemnitees or the AOUT Indemnitees.

"Information Statement" means the Information Statement to be sent to each holder of SWBI Common Stock in connection with the Distribution, as amended, supplemented, or modified from time to time.

"Intellectual Property" means any and all intellectual property throughout the world, including any and all U.S. and foreign (a) patents, invention disclosures, and all related continuations, continuations-in-part, divisionals, provisionals, renewals, reissues, re-examinations, additions, extensions (including all supplementary protection certificates), and all applications and registrations therefor (collectively, "Patent Rights"), (b) trademarks, service marks, names, corporate names, trade names, domain names, social media identifiers, logos, slogans, trade dress, design rights, and other similar business identifiers or designations of source or origin and all applications and registrations therefor, together with the goodwill symbolized by any of the foregoing (collectively, "Trademarks"), (c) copyrights, works of authorship, and copyrightable subject matter and all applications and registrations therefor, (d) trade secrets, know-how, confidential data and information, technical information, including practices, techniques, methods, processes, inventions, developments, specifications, formulations, manufacturing processes, structures, analytical and quality control information and procedures, studies and procedures, and regulatory information, (e) computer software (including source code, object code, firmware, operating systems, and specifications), (f) databases and data collections, and (g) all rights to sue or recover and retain damages and costs and attorneys' fees for the past, present, or future infringement, misappropriation, or other violation of any of the foregoing.

"Intercompany Accounts" has the meaning set forth in Section 2.6.

"IT Assets" means computers, software, firmware, middleware, servers, workstations, routers, hubs, switches, data communications lines, and all other information technology assets or other equipment storing or processing information, including all associated documentation related to any of the foregoing.

"Liabilities" means any and all Claims, debts, liabilities, damages, and/or obligations (including, but not limited to, any Escheat Payment) of any kind, character, or description, whether absolute or contingent, matured or not matured, liquidated or unliquidated, accrued or unaccrued, known or unknown, whenever arising, including all costs and expenses (including reasonable attorneys' fees and expenses and associated investigation costs) relating thereto, and including those Claims, debts, liabilities, damages, and/or obligations arising under this Agreement and/or the other Distribution Documents, any Applicable Law, any Action or threatened Action, any order or consent decree of any Governmental Authority or any award of any arbitrator of any kind, and those arising under any agreement, commitment, or undertaking, including in connection with the enforcement of rights hereunder or thereunder.

"Nasdaq" means the Nasdaq Stock Market.

"Outdoor Products and Accessories Business" means the businesses, operations, products, services, and activities of SWBI's outdoor products and accessories business, as more fully described in the Form 10 and the Information Statement.

"Patent Rights" has the meaning set forth in Section 1.1 under the definition of "Intellectual Property."

"Permit" means any license, permit, approval, consent, certification, franchise, registration, or authorization, including marketing authorizations for any products requiring such to be sold, which have been issued by or obtained from any Governmental Authority.

"Person" means an individual, corporation, partnership, limited liability company, association, trust, or other entity or organization, including a Governmental Authority.

"Post-Distribution Commercial Agreements" means one or more commercial agreements or arrangements entered into between SWBI and AOUT (or members of the SWBI Group or the AOUT Group, as applicable) set forth on Schedule 1.1(j), as more fully described in the Form 10 and the Information Statement, as each such agreement or arrangement may be amended, amended and restated, supplemented, or modified from time to time.

"Post-Distribution Insurance Arrangements" has the meaning set forth in Section 4.10(a).

"Privileges" and "Privilege" have the meanings set forth in Section 4.1(b).

"Privileged Information" has the meaning set forth in Section 4.7(b).

"Receiving Party" has the meaning set forth in Section 4.5.

"Record Date" means the close of business on August 10, 2020, the date determined by the Board of Directors of SWBI as the record date for determining the stockholders of SWBI entitled to the Distribution.

"Release" means any release, spill, emission, leaking, dumping, pumping, injection, pouring, deposit, disposal, discharge, dispersal, leaching, or migration into, onto, within, or through the indoor or outdoor environment (including ambient air, surface water, groundwater, land surface or subsurface strata, soil, and sediments) or into, through, or within any property, building, structure, fixture, or equipment.

"Released Parties" and "Released Party" have the meanings set forth in Section 5.1(a).

"Representatives" has the meaning set forth in Section 4.6.

"Securities Act" means the Securities Act of 1933, as amended.

"Sublease" means the Sublease entered into between SWBI and AOUT (or members of their respective Groups) prior to the date hereof with respect to the occupancy or use by AOUT (or members of its Group) of certain owned or leased facilities of SWBI set forth on Schedule 1.1(k), as such agreement may be amended, amended and restated, supplemented, or modified from time to time.

"Subsidiary" means, with respect to any Person, any other Person (other than an individual) of which capital stock or other equity securities or interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are at the time directly or indirectly owned by such Person.

"SWBI" has the meaning set forth in the preamble to this Agreement

"SWBI Assets" means all assets, of whatever sort, nature, or description, of SWBI and/or its Subsidiaries (including any member of the AOUT Group) other than the AOUT Assets, including, for the avoidance of doubt, (a) any Trademarks that use, contain, or include "Smith & Wesson," either alone or in combination with other words, phrases, or logos and (b) the assets set forth on Schedule 1.1(l).

"SWBI Assumed Actions" has the meaning set forth in Section 4.2(b).

"SWBI Claims-Made Policies" has the meaning set forth in Section 4.10(b).

"SWBI Common Stock" has the meaning set forth in the recitals to this Agreement.

"SWBI Designee" has the meaning set forth in Section 2.3(a).

"SWBI Group" means SWBI and its Subsidiaries (other than any member of the AOUT Group) as set forth on Schedule 1.1(m), including all predecessors and successors to such Persons.

"SWBI Indemnitees" and "SWBI Indemnitee" have the meanings set forth in Section 5.2(a).

"SWBI Liabilities" means (without duplication) all of the following of SWBI and/or its Subsidiaries (as determined by SWBI in its sole discretion):

(a) all Liabilities solely to the extent relating to, arising out of or in connection with, or resulting from the Firearm Business or the business and operation of the SWBI Assets, as currently or formerly operated (including as conducted or operated by any predecessor of any member of the SWBI Group or the AOUT Group), including those Liabilities set forth on Schedule 1.1(n); and

(b) all Liabilities that are expressly contemplated by this Agreement or any other Ancillary Agreement as Liabilities to be retained or assumed by SWBI or any other member of the SWBI Group, and all agreements, and other Liabilities of SWBI or any member of the SWBI Group under this Agreement or any of the Ancillary Agreements;

provided that, notwithstanding the foregoing, the SWBI Liabilities shall not include (i) any Liabilities for Taxes, which shall be governed by the Tax Matters Agreement or (ii) any Liabilities for the employment, employee benefits, and employee compensation matters expressly covered by the Employee Matters Agreement, all of which shall be governed by the Employee Matters Agreement.

"SWBI Loss-Discovered Policies" has the meaning set forth in Section 4.10(b).

"SWBI Names and Marks" means any and all Trademarks of SWBI or any of its Affiliates (other than any Trademark included in the AOUT Assets), including, for the avoidance of doubt, those set forth on Schedule 1.1(c) and any that use, contain, or include "Smith & Wesson," in each case either alone or in combination with other words, phrases, or logos, and any and all Trademarks derived therefrom or confusingly similar thereto.

"SWBI Occurrence-Based Policy" has the meaning set forth in Section 4.10(b).

"SWBI Shared Policies" has the meaning set forth in Section 4.10(b).

"Tax" or "Taxes" has the meaning set forth in the Tax Matters Agreement.

"Tax Benefit" means any refund, credit, offset, or other reduction in otherwise required Tax payments.

"Tax Matters Agreement" means the Tax Matters Agreement dated as of the date hereof between SWBI and AOUT substantially in the form of Exhibit B, as such agreement may be amended, amended and restated, supplemented, or modified from time to time.

"Tax Opinion" has the meaning set forth in the Tax Matters Agreement.

"Third Party" means any Person that is not a member or an Affiliate of a member of the AOUT Group or the SWBI Group.

"Third Party Claim" has the meaning set forth in Section 5.4(b).

"Trademark License Agreement" means the Trademark License Agreement, dated as of the date hereof, by and between Smith & Wesson Inc. and AOB Products Company, substantially in the form of Exhibit C, as such agreement may be amended, amended and restated, supplemented, or modified from time to time.

"Trademarks" has the meaning set forth in Section 1.1 under the definition of "Intellectual Property."

"Transfer" means the contribution of certain businesses, assets, and liabilities of the SWBI Group and the AOUT Group to be completed before the Distribution Time in accordance with the Transfer Plan.

"Transfer Agreements" has the meaning set forth in Section 2.4.

"Transfer Plan" means that certain Transfer Plan, dated as of August 21, 2020, attached hereto as Annex A, as such Transfer Plan may be amended, amended and restated, supplemented, or modified from time to time.

"Transition Services Agreement" means the Transition Services Agreement dated as of the date hereof between SWBI and AOUT substantially in the form of Exhibit D, as such agreement may be amended, amended and restated, supplemented, or modified from time to time.

Section 1.2 Interpretation. In this Agreement, unless the context clearly indicates otherwise:

(a) words used in the singular include the plural and words used in the plural include the singular;

(b) references to any Person include such Person's successors and assigns but, if applicable, only if such successors and assigns are permitted by this Agreement;

(c) except as otherwise clearly indicated, reference to any gender includes the other gender;

(d) the words "include," "includes," and "including" shall be deemed to be followed by the words "without limitation";

(e) reference to any Article, Section, Exhibit, Schedule, or Annex means such Article or Section of, or such Exhibit, Schedule, or Annex to, this Agreement, as the case may be, and references in any Section or definition to any clause means such clause of such Section or definition;

(f) the words "herein," "hereunder," "hereof," "hereto," and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Section or other provision hereof;

(g) reference to any agreement, instrument, or other document means such agreement, instrument, or other document as amended, amended and restated, supplemented, or modified from time to time to the extent permitted by the provisions thereof and by this Agreement;

(h) reference to any law (including statutes and ordinances) means such law (including all rules and regulations promulgated thereunder) as amended, modified, codified, or reenacted, in whole or in part, and in effect at the time of determining compliance or applicability;

(i) relative to the determination of any period of time, "from" means "from and including," "to" means "to and including," and "through" means "through and including";

(j) the titles to Articles and headings of Sections contained in this Agreement have been inserted for convenience of reference only and shall not be deemed to be a part of or to affect the meaning or interpretation of this Agreement;

(k) unless otherwise specified in this Agreement, all references to dollar amounts herein shall be in respect of lawful currency of the United States; and

(l) any capitalized term used in an Exhibit, Schedule, or Annex but not otherwise defined therein shall have the meaning set forth in this Agreement.

ARTICLE 2
PRE-DISTRIBUTION ACTIONS

Section 2.1 Information Statement; Listing. SWBI shall mail (or shall cause to be mailed) the Information Statement to the holders of SWBI Common Stock as of the Record Date. SWBI and AOUT shall take (or shall cause to be taken) all such lawful actions as may be necessary or appropriate under the securities or blue sky laws of states or other political subdivisions of the United States and shall use (or cause to be used) commercially reasonable efforts to comply with all applicable foreign securities laws in connection with the transactions contemplated by this Agreement and the Ancillary Agreements. AOUT shall prepare, file, and pursue (or shall cause to be prepared, filed, and pursued) an application to permit listing of the AOUT Common Stock on Nasdaq.

Section 2.2 The Transfer and Other Related Actions.

(a) The Transfer. At or prior to the Distribution Time, to the extent not already consummated, each of SWBI and AOUT shall, and shall, to the fullest extent permitted by Applicable Law, cause the other members of its Group to, consummate the Transfer.

(b) AOUT Financing Arrangements. In connection with the Transfer, at or prior to the Distribution Time, to the extent not already entered into, AOUT shall, and shall, to the fullest extent permitted by Applicable Law, cause the other members of its Group to, enter into the AOUT Financing Arrangements and related financing transactions described in the Information Statement as occurring prior to the Distribution Date (collectively, the "AOUT Financing Transactions").

(c) Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws. At or prior to the Distribution Time, to the extent not already consummated, (i) SWBI, as the sole stockholder of AOUT, and AOUT shall each take all lawful action that may be required to provide for the adoption by AOUT of an amended and restated certificate of incorporation of AOUT, substantially in the form of Exhibit E (the "Amended and Restated Certificate of Incorporation"), and amended and restated bylaws of AOUT, substantially in the form of Exhibit F (the "Amended and Restated Bylaws"), and (ii) AOUT shall file (or shall cause to be filed) the Amended and Restated Certificate of Incorporation of AOUT with the Secretary of State of the State of Delaware.

(d) Distribution Agent. At or prior to the Distribution Time, to the extent not already entered into, SWBI shall enter into a distribution agent agreement with the Distribution Agent or otherwise provide instructions to the Distribution Agent regarding the Distribution.

(e) Satisfying Conditions to the Distribution. SWBI and AOUT shall, and shall, to the fullest extent permitted by Applicable Law, cause the other members of their respective Group to, cooperate to cause the conditions to the Distribution set forth in Section 3.1 to be satisfied (or waived by SWBI) and to effect the Distribution at the Distribution Time upon such satisfaction (or waiver by SWBI).

Section 2.3 Transfers of Certain Other Assets and Liabilities. At or prior to the Distribution Time, to the extent not already consummated and unless otherwise provided in this Agreement or in any Ancillary Agreement:

(a) SWBI shall, and shall, to the fullest extent permitted by Applicable Law, cause the relevant member of the SWBI Group to, assign, contribute, convey, transfer, and deliver to AOUT or any member of the AOUT Group designated by AOUT (an "AOUT Designee") all of the right, title, and interest of SWBI or such member of the SWBI Group in and to all of the AOUT Assets, if any, of SWBI or such member of the SWBI Group, and AOUT shall, or shall, to the fullest extent permitted by Applicable Law, cause the relevant AOUT Designee to, as applicable, accept such AOUT Assets.

(b) AOUT shall, and shall to the fullest extent permitted by Applicable Law, cause the relevant member of the AOUT Group to, assign, contribute, convey, transfer, and deliver to SWBI or any member of the SWBI Group designated by SWBI (a "SWBI Designee") all of the right, title, and interest of AOUT or such member of the AOUT Group in and to all of the SWBI Assets, if any, held by AOUT or such member of the AOUT Group and SWBI shall, or shall to the fullest extent permitted by Applicable Law, cause the relevant SWBI Designee to, as applicable, accept such SWBI Assets.

(c) SWBI shall, and shall, to the fullest extent permitted by Applicable Law, cause the relevant member of the SWBI Group to, assign, contribute, convey, transfer, and deliver to AOUT or any AOUT Designee all of the AOUT Liabilities, if any, of SWBI or such member of the SWBI Group, and AOUT shall, or shall, to the fullest extent permitted by Applicable Law, cause the relevant AOUT Designee to, as applicable, accept, assume and agree, to perform, discharge, and fulfill, all of the AOUT Liabilities.

(d) AOUT shall, and shall, to the fullest extent permitted by Applicable Law, cause the relevant member of the AOUT Group to, assign, contribute, convey, transfer, and deliver to SWBI or any SWBI Designee all of the SWBI Liabilities, if any, of AOUT or such member of the AOUT Group, and SWBI shall, or shall, to the fullest extent permitted by Applicable Law, cause the relevant SWBI Designee to, as applicable, accept, assume and agree to perform, discharge, and fulfill, all of the SWBI Liabilities.

(e) To the extent any assignment, contribution, conveyance, transfer or delivery, or acceptance or assumption of any asset or Liability of either Group is not effected in accordance with this Section 2.3 at or prior to the Distribution Time for any reason (including as a result of the failure of the parties to identify it as being required to be transferred pursuant to this Section 2.3, but subject to Section 2.4), the relevant party shall and shall, to the fullest extent permitted by Applicable Law, cause the other members of its Group to, use all commercially reasonable efforts to effect such transfer as promptly thereafter as practicable.

Section 2.4 Transfer Agreements. The transfers of the various entities and the contribution, assignment, transfer, conveyance, and delivery of the assets and the acceptance and assumption of the Liabilities contemplated by Section 2.3 and the Transfer Plan will be effected, in certain cases, pursuant to one or more asset transfer agreements, share transfer agreements, business transfer agreements, certificates of demerger and merger, and other agreements and instruments (collectively, the "Transfer Agreements"); provided that, in each case, it is intended that the Transfer Agreements shall serve purely to effect (a) the legal transfer of the AOUT Assets or SWBI Assets to the relevant member of the AOUT Group or the SWBI Group, as applicable, in accordance with the Transfer Plan or as contemplated by Section 2.3, and (b) the acceptance and assumption of the AOUT Liabilities or the SWBI Liabilities by a member of the AOUT Group or the SWBI Group, as applicable, in accordance with the Transfer Plan or as contemplated by Section 2.3. In the event of any conflict between any Transfer Agreement and this Agreement, the terms of such Transfer Agreement shall control solely with respect to any applicable purchase price adjustment or cash adjustment set forth in any such Transfer Agreement and this Agreement shall control in all other respects; provided that, notwithstanding anything in any Transfer Agreement to the contrary, in the event any Transfer Agreement provides for a purchase price adjustment or cash adjustment, whether based upon a calculation of fair market value or otherwise, or any similar adjustment provision, any purchase price adjustment or cash adjustment determination under such Transfer Agreement, including as to the amount, if any, of any such adjustment, shall be determined by SWBI in its sole discretion. Notwithstanding anything in any Transfer Agreement to the contrary, neither SWBI nor any other member of the SWBI Group, on the one hand, nor AOUT nor any other member of the AOUT Group, on the other hand, shall commence, bring, or otherwise initiate any Action under any Transfer Agreement.

Section 2.5 Agreement Relating to Consents Necessary to Transfer Assets and Liabilities. Notwithstanding any provision of this Agreement to the contrary, this Agreement shall not constitute an agreement to assign, contribute, convey, transfer, deliver, or accept any asset (including any Contract) or any claim or right or any benefit arising thereunder or resulting therefrom, or to assume any Liability, if

such assignment, contribution, conveyance, transfer, delivery, or acceptance, or such assumption without the consent of a Third Party or a Governmental Authority, would result in a breach, or constitute a default (or an event which, with the giving of notice or lapse of time, or both, would become a default), under any Contract or would otherwise adversely affect the rights of a member of the SWBI Group or the AOUT Group, as applicable, thereunder. SWBI and AOUT will use their respective commercially reasonable efforts to obtain the consent of any Third Party (including any Governmental Authority), if any, required in connection with the transfer, assignment, or assumption pursuant to Section 2.3 of any such asset or any such claim or right or benefit arising thereunder or to the assumption of any Liability; provided that in no event shall any member of a Group have any Liability whatsoever to any member of the other Group for any failure to obtain any such consent. If and when such consent is obtained, such transfer, assignment, and/or assumption shall be effected in accordance with the terms of this Agreement and/or the relevant Ancillary Agreement. During the period in which any transfer, assignment, or assumption is delayed pursuant to this Section 2.5 as a result of the absence of a required consent, the party (or relevant other member of its Group) retaining such asset, claim, or right shall thereafter hold (or shall cause, to the fullest extent permitted by Applicable Law, such member of its Group to hold) such asset, claim, or right for the use and benefit of the party (or relevant other member of its Group) entitled thereto (at the expense of the Person entitled thereto) and the party intended to assume such Liability shall, or shall, to the fullest extent permitted by Applicable Law, cause the relevant other member of its Group to, pay, hold harmless, or reimburse the party (or the other relevant member of its Group) retaining such Liability for all amounts paid, incurred in connection with, or arising out of the retention of such Liability. In addition, the party retaining such asset, claim, or right, or such Liability (or other relevant member of its Group) shall (or shall cause, to the fullest extent permitted by Applicable Law, such member of its Group to) treat, insofar as reasonably possible and to the fullest extent permitted by Applicable Law, such asset, claim, or right, or such Liability, in the ordinary course of business in accordance with past practice and take such other actions as may be reasonably requested by the Person to which such asset, claim, or right, or such Liability, is to be assigned, contributed, conveyed, transferred, delivered, accepted, or assumed in order to place such Person, insofar as reasonably possible, in the same position as if such asset, claim, or right, or such Liability, had been assigned, contributed, conveyed, transferred, delivered, accepted, or assumed on or prior to the Distribution Time as contemplated by this Agreement and so that all the benefits and burdens relating to such asset, claim, or right, or such Liability, including possession, use, risk of loss, potential for gain, and dominion, control, and command over such asset, claim, or right, or such Liability, are to inure from and after the Distribution Time to the relevant member of the SWBI Group or the AOUT Group, as applicable, entitled to the receipt of such asset, claim, or right, or required to assume such Liability.

Section 2.6 Intercompany Accounts. SWBI and AOUT shall, and shall, to the fullest extent permitted by Applicable Law, cause the other members of their respective Group to, use commercially reasonable efforts to settle on or prior to the Distribution Date (to the extent practicable), all intercompany receivables, payables, and other balances, in each case, that arise prior to the Distribution Time between members of the SWBI Group, on the one hand, and members of the AOUT Group, on the other hand (such intercompany receivable, payables, and other balances, the "Intercompany Accounts"), by way of capitalization and/or one or more payments (whether or not on a net basis) in satisfaction of such amounts. From and after the Distribution Time, SWBI and AOUT shall, and shall, to the fullest extent permitted by Applicable Law, cause the other members of their respective Group to, use commercially reasonable efforts to settle any Intercompany Accounts that are not settled as of the Distribution Time within 90 days of the Distribution Date and in the manner set forth in the first sentence of this Section 2.6; provided that any claim by any member of either Group with respect to an Intercompany Account must be made in writing (which writing shall be provided in accordance with Section 6.1 and be reasonably specific as to the applicable Intercompany Account and the amount thereof) to the applicable member of the other Group within 150 days of the Distribution Date.

Section 2.7 Intercompany Agreements.

(a) Except as set forth in Section 2.7(b), all Contracts between members of the SWBI Group, on the one hand, and members of the AOUT Group, on the other hand, in effect immediately prior to the Distribution Time are hereby agreed by SWBI (on behalf of itself and, to the fullest extent permitted by Applicable Law, each other member of the SWBI Group) and by AOUT (on behalf of itself and, to the fullest extent permitted by Applicable Law, each other member of the AOUT Group) to be terminated, cancelled, and of no further force and effect from and after the Distribution Time (including any provision thereof that purports to survive termination) without any further Liability to any party thereto.

(b) The provisions of Section 2.7(a) shall not apply to any of the following Contracts: (i) this Agreement and the Ancillary Agreements (and each other Contract expressly contemplated by this Agreement or any Ancillary Agreement (A) to be entered into by either SWBI or AOUT or any of the other members of their respective Groups or (B) to survive the Distribution Date); (ii) any Contract to which any Person, other than solely SWBI and AOUT and the other members of their respective Group, is a party (it being understood that any such Contracts constitute AOUT Assets, AOUT liabilities, SWBI Assets, or SWBI liabilities, as applicable, and such Contracts shall be assigned, contributed, conveyed, transferred, or delivered, accepted, or assumed in accordance with Section 2.3); (iii) any Intercompany Accounts to the extent such Intercompany Accounts were not satisfied and/or settled in accordance with the first sentence of Section 2.6 (it being understood that such Intercompany Accounts shall be satisfied or settled in accordance with the second sentence of Section 2.6); and (iv) the Contracts set forth on Schedule 2.7(b).

Section 2.8 Bank Accounts; Cash Balances.

(a) SWBI and AOUT shall, and shall, to the fullest extent permitted by Applicable Law, cause the other members of their respective Group to, use commercially reasonable efforts such that, at or prior to the Distribution Time, the SWBI Group and the AOUT Group maintain separate bank accounts and separate cash management processes. Without limiting the generality of the foregoing, SWBI and AOUT shall use commercially reasonable efforts to, and shall cause the other members of their respective Group to use commercially reasonable efforts to, effective prior to the Distribution Time, (i) remove and replace the signatories of any bank or brokerage account owned by AOUT or any other member of the AOUT Group as of the Distribution Time with individuals designated by AOUT and (ii) if requested by SWBI, remove and replace the signatories of any bank or brokerage account owned by SWBI or any other member of the SWBI Group as of the Distribution Time with individuals designated by SWBI.

(b) With respect to any outstanding payments initiated by SWBI, AOUT, or any of their respective Subsidiaries prior to the Distribution Time, such outstanding payments shall be honored following the Distribution by the Person or Group owning the account from which the payment was initiated.

(c) As between the SWBI Group, on the one hand, and the AOUT Group, on the other hand, all payments received after the Distribution Date by a member of either Group that relate to a business, asset, or Liability of a member of the other Group, shall be held by such Person for the use and benefit and at the expense of the Person entitled thereto. Each Group shall maintain an accounting of any such payments, and SWBI and AOUT shall have a monthly reconciliation, whereby all such payments received by any member of the SWBI Group and any member of the AOUT Group are calculated and the net amount owed to any member of the SWBI Group or any member of the AOUT Group, as applicable, shall be paid over to the relevant Person with a mutual right of set-off. If at any time the net amount owed to any Person pursuant to this Section 2.8(c) exceeds $50,000, an interim payment of such net amount owed shall be made to the Person entitled thereto within three (3) Business Days of such amount exceeding $50,000. Notwithstanding the foregoing, no member of either Group shall act as collection agent for any member of the other Group, nor shall either Group act as surety or endorser with respect to non-sufficient funds checks or funds to be returned in a bankruptcy or fraudulent conveyance action.

Section 2.9 Replacement of Guarantees. SWBI and AOUT shall each use commercially reasonable efforts to, and shall cause the other members of their respective Group to, use commercially reasonable efforts to, effective as of the Distribution Time, terminate or cause a member of (a) the AOUT Group to be substituted in all respects for a member of the SWBI Group with respect to, and for the members of the SWBI Group, to be otherwise removed or released from, all obligations of any member of the AOUT Group under any guarantee, surety bond, letter of credit, letter of comfort or similar credit, or performance support arrangement (each, a "Guarantee"), given or obtained by any member of the SWBI Group for the benefit of any member of the AOUT Group or the Outdoor Products and Accessories Business (including any Guarantee of any Environmental Liability) and (b) of the SWBI Group to be substituted in all respects for a member of the AOUT Group with respect to, and for the members of the AOUT Group to be otherwise removed or released from, all obligations of any member of the SWBI Group under any Guarantee given or obtained by a member of the AOUT Group for the benefit of any member of the SWBI Group or the Firearm Business (including any Guarantee of Environmental Liability). If SWBI and AOUT have been unable to effect any such substitution, removal, release, and termination with respect to any such Guarantee as of the Distribution Time, then, following the Distribution Time, subject to any applicable terms of Schedule 2.9, (i) SWBI and AOUT shall, and shall cause the members of their respective Group to, cooperate to effect such substitution, removal, release, and termination as soon as reasonably practicable after the Distribution Time, (ii) AOUT shall, and shall cause the other members of the AOUT Group to, from and after the Distribution Time, indemnify against, hold harmless, and promptly reimburse the members of the SWBI Group for any payments made by members of the SWBI Group and for any and all Liabilities of the members of the SWBI Group arising out of, or in performing, in whole or in part, any obligation under any Guarantee described in clause (a) of the first sentence of this Section 2.9, (iii) SWBI shall, and shall cause the members of the SWBI Group to, from and after the Distribution Time, indemnify against, hold harmless, and promptly reimburse the members of the AOUT Group for any payments made by the members of the AOUT Group and for any and all Liabilities of the members of the AOUT Group arising out of, or in performing, in whole or in part, any obligation under any Guarantee described in clause (b) of the first sentence of this Section 2.9, (iv) without the prior written consent of SWBI, no member of the AOUT Group may renew, extend the term of, increase any obligations under, or transfer to a third Person, any Liability for which any member of the SWBI Group is or might be liable pursuant to any Guarantee described in clause (a) of the first sentence of this Section 2.9 unless such Guarantee, and all applicable obligations of the members of the SWBI Group with respect thereto, are thereupon terminated pursuant to documentation reasonably acceptable to SWBI, and (v) without the prior written consent of AOUT, no member of the SWBI Group may renew, extend the term of, increase any obligations under, or transfer to a third Person, any Liability for which any member of the AOUT Group is or might be liable pursuant to any Guarantee described in clause (b) of the first sentence of this Section 2.9 unless such Guarantee, and all applicable obligations of the members of the AOUT Group with respect thereto, are thereupon terminated pursuant to documentation reasonably acceptable to AOUT.

Section 2.10 Further Assurances and Consents. In addition to the actions specifically provided for elsewhere in this Agreement, each of SWBI and AOUT shall use its commercially reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things, reasonably necessary, proper, or advisable under Applicable Law, agreements, or otherwise to consummate and make effective any transfers of assets, assignments and assumptions of Liabilities, and any other transactions contemplated by this Agreement, including using its commercially reasonable efforts to obtain any consents and approvals and to make any filings and applications necessary or desirable in order to consummate the transactions contemplated by this Agreement; provided that in no event shall any member of a Group have any Liability whatsoever to any member of the other Group for any failure to obtain any such consent or approval.

ARTICLE 3
DISTRIBUTION

Section 3.1 Conditions Precedent to the Distribution.

(a) In no event shall the Distribution occur unless each of the following conditions shall have been satisfied (or waived by SWBI in its sole discretion):

(i) the Transfer shall have been consummated;

(ii) the AOUT Financing Transactions shall have been consummated;

(iii) the Distribution will be made in a manner that does not cause SWBI to be unable to pay its debts as they become due in the usual course of its business or cause the total assets of SWBI to be less than the sum of its total liabilities plus the amount that would be needed, if SWBI were to be dissolved as of the Distribution Time, to satisfy the preferential rights upon dissolution of stockholders whose preferential rights are superior to those receiving the distribution, if any, in each case in accordance with Section 78.288 of the Nevada Revised Statutes;

(iv) the Board of Directors of SWBI shall have approved the Distribution and shall not have abandoned the Distribution or terminated this Agreement at any time prior to the Distribution Time;

(v) the Form 10 shall have been filed with the Commission and declared effective by the Commission, no stop order suspending the effectiveness of the Form 10 shall be in effect, no proceedings for such purpose shall be pending before or threatened by the Commission, and the Information Statement shall have been mailed to holders of the SWBI Common Stock as of the Record Date;

(vi) all actions and filings necessary or appropriate under applicable federal, state, or foreign securities or “blue sky” laws and the rules and regulations thereunder shall have been taken and, where applicable, become effective or been accepted;

(vii) the AOUT Common Stock to be delivered in the Distribution shall have been approved for listing on Nasdaq, subject to official notice of issuance;

(viii) the Board of Directors of AOUT, as named in the Information Statement, shall have been duly elected, and the Amended and Restated Certificate of Incorporation and the Amended and Restated Bylaws, each in substantially the form filed as an exhibit to the Form 10, shall be in effect;

(ix) each of the Ancillary Agreements shall have been duly executed and delivered by the parties thereto;

(x) SWBI shall have received the Tax Opinion (which shall not have been revoked or modified in any material respect) that is reasonably satisfactory to SWBI;

(xi) no Applicable Law shall have been adopted, promulgated, or issued, and be in effect, that prohibits the consummation of the Distribution or any of the other transactions contemplated hereby;

(xii) any material approvals and consents of any Governmental Authority and any material permits, registrations, and consents from Third Parties (including any Governmental Authority), in each case, necessary to effect the Distribution and to permit the operation of the Outdoor Products and Accessories Business and the Firearm Business after the Distribution Date substantially as it is conducted at the date hereof shall have been obtained; and

(xiii) no event or development shall have occurred or exist that, in the judgment of the Board of Directors of SWBI, in its sole discretion, makes it inadvisable to effect the Distribution or the other transactions contemplated hereby.

(b) Each of the conditions set forth in this Section 3.1(a) is for the sole benefit of SWBI and shall not give rise to or create any duty on the part of SWBI or its Board of Directors to waive or not to waive any such condition or to effect the Distribution, or in any way limit SWBI's rights of termination as set forth in Section 6.11 or alter the consequences of any termination from those specified in Section 6.11. Any determination made by SWBI on or prior to the Distribution Time concerning the satisfaction or waiver of any or all of the conditions set forth in this Section 3.1 shall be conclusive and binding on the parties and all other affected Persons.

Section 3.2 The Distribution.

(a) SWBI shall, in its sole discretion, determine the Distribution Date and all terms of the Distribution, including the timing of the consummation of all or part of the Distribution. SWBI may, at any time and from time to time until the Distribution Time, modify or change the terms of the Distribution, including by accelerating or delaying the timing of the consummation of all or part of the Distribution. For the avoidance of doubt, nothing in this Agreement shall in any way limit SWBI's right to terminate this Agreement or the Distribution as set forth in Section 6.11 or alter the consequences of any such termination from those specified in Section 6.11.

(b) Subject to the terms and conditions set forth in this Agreement, (i) on or prior to the Distribution Date, SWBI shall take such lawful actions as are reasonably necessary or appropriate to permit the Distribution by the Distribution Agent of validly issued, fully paid, and non-assessable shares of AOUT Common Stock, registered in book-entry form through the registration system, (ii) the Distribution shall be effective at the Distribution Time, and (iii) subject to Section 3.3, SWBI shall instruct the Distribution Agent to distribute, on or as soon as practicable after the Distribution Date, to each holder of record of SWBI Common Stock as of the Record Date, by means of a pro rata dividend, one share of AOUT Common Stock for every four shares of SWBI Common Stock so held. Following the Distribution Date, AOUT agrees to provide all book-entry transfer authorizations for shares of AOUT Common Stock that SWBI or the Distribution Agent shall require (after giving effect to Sections 3.3 and 3.4) in order to effect the Distribution.

Section 3.3 Fractional Shares. Notwithstanding any provisions of this Agreement to the contrary, no fractional shares of AOUT Common Stock shall be distributed in the Distribution. Instead, SWBI shall direct the Distribution Agent to determine (based on the aggregate number of shares held by each holder) the number of whole shares and the fractional share of AOUT Common Stock allocable to each holder of SWBI Common Stock as of the Record Date. Upon the determination by the Distribution Agent of such numbers of whole shares and fractional shares, as soon as practicable on or after the Distribution Date, the Distribution Agent, acting on behalf of the holders thereof, shall aggregate the fractional shares into whole shares of AOUT Common Stock and shall sell the whole shares obtained thereby for cash on the open market (with the Distribution Agent, in its sole discretion, determining when, how, and through which broker-dealer(s) and at which price(s) to make such sales), which such open market sales shall constitute the method for determining the per share value of fractions of a share of AOUT

Common Stock otherwise distributable in the Distribution, and shall thereafter promptly distribute to each such holder entitled thereto (pro rata based on the fractional share such holder would have been entitled to receive in the Distribution) the resulting aggregate cash proceeds, after making appropriate deductions of the amounts required to be withheld for Tax purposes, if any, and after deducting an amount equal to all brokerage fees and commissions, transfer taxes, and other costs attributed to the sale of shares pursuant to this Section 3.3. To the fullest extent permitted by Applicable Law, neither SWBI nor AOUT shall be required to guarantee any minimum sale price for the fractional shares. Recipients of cash in lieu of fractional shares shall not be entitled to any interest on the amounts of payments made in lieu of fractional shares.

Section 3.4 NO REPRESENTATIONS OR WARRANTIES. EXCEPT AS EXPRESSLY REPRESENTED AND WARRANTED HEREIN OR IN ANY OTHER DISTRIBUTION DOCUMENT, NO MEMBER OF EITHER GROUP MAKES ANY REPRESENTATION OR WARRANTY OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, TO ANY MEMBER OF THE OTHER GROUP OR ANY OTHER PERSON WITH RESPECT TO ANY OF THE TRANSACTIONS OR MATTERS CONTEMPLATED BY THIS AGREEMENT OR THE OTHER DISTRIBUTION DOCUMENTS (INCLUDING WITH RESPECT TO THE BUSINESS, ASSETS, LIABILITIES, CONDITION, OR PROSPECTS (FINANCIAL OR OTHERWISE) OF, OR ANY OTHER MATTER INVOLVING, EITHER BUSINESS, OR THE SUFFICIENCY OF ANY ASSETS TRANSFERRED OR LICENSED TO THE APPLICABLE GROUP, OR THE TITLE TO ANY SUCH ASSETS, OR THAT ANY REQUIREMENTS OF APPLICABLE LAW ARE COMPLIED WITH IN RESPECT OF THE TRANSFER OR THE DISTRIBUTION), AND ALL OTHER REPRESENTATIONS AND WARRANTIES OF ANY KIND WHATSOEVER, EXPRESSED OR IMPLIED, ARE HEREBY EXPRESSLY DISCLAIMED BY SWBI, FOR ITSELF AND, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE OTHER MEMBERS OF ITS GROUP, AND AOUT, FOR ITSELF AND, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE OTHER MEMBERS OF ITS GROUP. EXCEPT AS EXPRESSLY SET FORTH HEREIN OR IN ANY OTHER DISTRIBUTION DOCUMENT, EACH MEMBER OF EACH GROUP SHALL TAKE ALL OF THE BUSINESS AND ASSETS TRANSFERRED OR LICENSED TO OR LIABILITIES ASSUMED BY IT PURSUANT TO THIS AGREEMENT OR ANY OTHER DISTRIBUTION DOCUMENT ON AN "AS IS, WHERE IS" BASIS, AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A SPECIFIC PURPOSE, OR OTHERWISE ARE HEREBY EXPRESSLY DISCLAIMED BY SWBI, FOR ITSELF AND, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE OTHER MEMBERS OF ITS GROUP, AND AOUT, FOR ITSELF AND, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE OTHER MEMBERS OF ITS GROUP.

ARTICLE 4
COVENANTS

Section 4.1 Books and Records; Access to Information.

(a) To the extent not previously assigned, contributed, conveyed, transferred, delivered, and accepted in accordance with Section 2.2(a) or Section 2.3, from and after the Distribution Time, (i) SWBI shall, and shall cause the other members of the SWBI Group to, assign, contribute, convey transfer, and deliver to AOUT or any AOUT Designee any books and records that are AOUT Assets (or copies of relevant portions thereof if such books and records also contain information not related to the Outdoor Products and Accessories Business) found to be in the possession of SWBI or any other member of the SWBI Group in accordance with the applicable terms of the Transition Services Agreement and the applicable schedules thereto; provided that, without limiting any express delivery requirements under this Section 4.1(a) and the terms of the Transition Services Agreement, neither SWBI nor any other member of the SWBI Group shall be required to conduct any general search or investigation of its files for such books

and records other than with respect to Commercial Data, and (ii) AOUT shall, and shall cause the other members of the AOUT Group to, assign, contribute, convey, transfer, and deliver to SWBI or any SWBI Designee any books and records that are SWBI Assets (or copies of relevant portions thereof if such books and records also contain information not related to the Firearm Business) found to be in the possession of AOUT or any other member of the AOUT Group in accordance with the applicable terms of the Transition Services Agreement and the applicable schedules thereto; provided that, without limiting any express delivery requirements under this Section 4.1(a) and the terms of the Transition Services Agreement, neither AOUT nor any other member of the AOUT Group shall be required to conduct any general search or investigation of its files for such books and records other than with respect to Commercial Data.

(b) Without limiting the express transfer and delivery requirements of Section 4.1(a) or any Ancillary Agreement, for a period of six years after the Distribution Date, each Group shall afford promptly the other Group and its agents and, to the extent required by Applicable Law, authorized representatives of any Governmental Authority of competent jurisdiction, reasonable access (which shall include, to the extent reasonably requested, the right to make copies) during normal business hours to its books of account, financial, and other records (including accountant's work papers, to the extent any required consents have been obtained), information (excluding any Commercial Data), employees and auditors to the extent necessary or useful for such other Group in connection with any audit, investigation, dispute, or litigation, complying with their obligations under this Agreement or any Ancillary Agreement, any regulatory proceeding, any regulatory filings, complying with reporting disclosure requirements or any other requirements imposed by any Governmental Authority or any other reasonable business purpose of the Group requesting such access; provided that (i) any such access shall not unreasonably interfere with the conduct of the business of the Group providing such access, and (ii) if any Group reasonably determines that affording any such access to the other Group would be commercially detrimental in any material respect or violate any Applicable Law or agreement to which any member of such Group is a party, or waive or adversely affect its ability to successfully assert any claim of attorney-client, business strategy, work product, common interest, or similar protection or privilege (collectively, "Privileges" and each, a "Privilege"), applicable to any member of such Group, the parties shall use commercially reasonable efforts to permit the compliance with such request in a manner that avoids any such harm or consequence.

(c) Without limiting the express assignment, contribution, conveyance, transfer, and delivery requirements of Section 4.1(a) or any Ancillary Agreement, until the end of the first full AOUT fiscal year occurring after the Distribution Date (and for a reasonable period of time afterwards as required for each party to prepare consolidated financial statements or complete a financial statement audit for the fiscal year during which the Distribution Date occurs), each party shall use, and shall, to the fullest extent permitted by Applicable Law, cause the other members of its Group to use, its commercially reasonable efforts to cooperate with the other Group's information requests (other than with respect to any Commercial Data) to enable: (i) the other Group to meet its timetable for dissemination of its earnings releases, financial statements, and management's assessment of the effectiveness of its disclosure controls and procedures and its internal control over financial reporting in accordance with Items 307 and 308, respectively, of Regulation S-K promulgated under the Exchange Act; and (ii) the other Group's auditors timely to complete their review of the quarterly financial statements and audit of the annual financial statements, including, to the extent applicable to such Group, its auditor's audit of its internal control over financial reporting and management's assessment thereof in accordance with Section 404 of the Sarbanes-Oxley Act of 2002, the SEC's and Public Company Accounting Oversight Board's rules and auditing standards thereunder, and any other Applicable Laws.

Section 4.2 Litigation Cooperation.

(a) To the extent not previously assigned, contributed, conveyed, transferred, delivered, and assumed in accordance with Section 2.2(a) or Section 2.3, from and after the Distribution Time, the relevant AOUT Designee shall assume and thereafter be responsible for all Liabilities of either Group that may result from the AOUT Assumed Actions and, subject to Section 5.4(c), all Liabilities and fees and costs relating to the defense of the AOUT Assumed Actions, including attorneys', accountants', consultants', and other 'professionals' fees and expenses that have been incurred prior to the Distribution Time and are unpaid as of or after the Distribution Time, or, that are incurred on or after the Distribution Time. "AOUT Assumed Actions" means (i) those Actions primarily relating to the Outdoor Products and Accessories Business, including those in which any member of the SWBI Group is a defendant or any of its property or assets is bound and, including, for the avoidance of doubt, those Actions set forth on Schedule 4.2(a), and (ii) all Actions that AOUT has elected to control the defense of as the Indemnifying Party pursuant to Section 5.4(b). If any member of the SWBI Group has any rights or claims against a Third Party insurer or other Third Party in connection with or relating to any AOUT Assumed Action, SWBI shall and shall, to the fullest extent permitted by Applicable Law, cause the other members of the SWBI Group to, subject to Section 2.5, transfer and assign to the relevant AOUT Designee all such rights or claims and cooperate with the relevant AOUT Designee in connection with the enforcement and collection thereof. For the avoidance of doubt, effective as of the Distribution Time, the relevant AOUT Designee shall be entitled to all recovery, rights, claims, credits, causes of action, payments, awards, and rights of set-off, in each case, with respect to the AOUT Assumed Actions. SWBI hereby agrees to transfer or pay, and to cause, to the fullest extent permitted by Applicable Law, the relevant member of the SWBI Group to transfer or pay, to the relevant AOUT Designee any such recovery, rights, claims, credits, causes of action, payments, awards, and rights of set-off as promptly as possible.

(b) To the extent not previously assigned, contributed, conveyed, transferred, delivered, and assumed in accordance with Section 2.2(a) or Section 2.3, from and after the Distribution Time, the relevant SWBI Designee shall assume and thereafter be responsible for all Liabilities of either Group that may result from the SWBI Assumed Actions and, subject to Section 5.4(c), all Liabilities and fees and costs relating to the defense of the SWBI Assumed Actions, including attorneys', accountants', consultants', and other professionals' fees and expenses that have been incurred prior to the Distribution Time and are unpaid as of or after the Distribution Time, or, that are incurred on or after the Distribution Time. "SWBI Assumed Actions" means (i) those Actions primarily relating to the Firearm Business, including those in which any member of the AOUT Group is a defendant, any of its property or assets is bound, and, including, for the avoidance of doubt, those Actions set forth on Schedule 4.2(b), and (ii) all Actions that SWBI has elected to control the defense of as the Indemnifying Party pursuant to Section 5.4(b). If any member of the AOUT Group has any rights or claims against a Third Party insurer or other Third Party in connection with or relating to any SWBI Assumed Action, AOUT shall, and shall, to the fullest extent permitted by Applicable Law, cause the other members its Group to, subject to Section 2.5, transfer and assign to the relevant SWBI Designee all such rights or claims and cooperate with the relevant SWBI Designee in connection with the enforcement and collection thereof. For the avoidance of doubt, effective as of the Distribution Time, the relevant SWBI Designee shall be entitled to all recovery, rights, claims, credits, causes of action, payments, awards, and rights of set-off, in each case, with respect to the SWBI Assumed Actions. AOUT hereby agrees to transfer or pay, and to cause, to the fullest extent permitted by Applicable Law, the applicable member of the AOUT Group to transfer or pay, to the relevant SWBI Designee any such recovery, rights, claims, credits, causes of action, payments, awards, and rights of set-off as promptly as possible.

(c) Each party agrees that, at all times from and after the Distribution Time, if an Action relating primarily to its Group's Business is commenced by a Third Party naming a member of either Group as defendants thereto, such Action shall be deemed to be an AOUT Assumed Action (in the case of an Action primarily related to the Outdoor Products and Accessories Business) or an SWBI Assumed Action (in the case of an Action primarily related to the Firearm Business) and the party as to which the Action primarily relates to its Group's Business shall use its commercially reasonable efforts to cause the other party or member of its Group to be removed from such Action.

(d) The parties agree, that at all times from and after the Distribution Time, if any Action is commenced by a Third Party naming a member of either Group as a defendant thereto and the parties are not able to reasonably determine whether such Action primarily relates to the Outdoor Products and Accessories Business or the Firearm Business, then the parties shall cooperate in good faith to determine which party and the members of its Group shall control and be responsible for such Action in accordance with the terms of this Section 4.2, and the parties will consult to the extent necessary or advisable with respect to such Action.

(e) SWBI and AOUT shall, to the fullest extent permitted by Applicable Law, cause the other members of its respective Group to, use commercially reasonable efforts to, upon written request, (i) make available to the other Group and its attorneys, accountants, consultants, and other designated representatives and its directors, officers, employees, and representatives as witnesses, and (ii) otherwise cooperate with the other Group, in each case, to the extent reasonably requested in connection with any Action arising out of either Group's Business prior to the Distribution Time in which the requesting Group may from time to time be involved. To the fullest extent permitted by Applicable Law, the making available of Persons or information or cooperating pursuant to this Section 4.2(e) shall not be deemed to be a waiver of any Privilege.

(f) Notwithstanding the foregoing, this Section 4.2 shall not require the party to whom any request pursuant to Section 4.2(e) has been made or any of the other members of its Group to make available Persons or information if such party determines that doing so would, in the reasonable good faith judgment of such party, reasonably be expected to result in any violation of any Applicable Law or agreement or waive or adversely affect its ability to successfully assert any Privilege; provided that the parties shall use commercially reasonable efforts to cooperate in seeking to find a way to permit compliance with such obligations to the extent and in a manner that avoids such consequence.

Section 4.3 Reimbursement. Each Group providing information or witnesses to the other Group or otherwise incurring any out-of-pocket expense in connection with transferring books and records or otherwise cooperating under Section 4.1 or Section 4.2 shall be entitled to receive from the recipient thereof, upon the presentation of invoices therefor, payment for all reasonable and documented out-of-pocket costs and expenses (including attorney's fees but excluding reimbursement for general overhead, salary, and employee benefits) actually and reasonably incurred in providing such access, information, witnesses, or cooperation.

Section 4.4 Ownership of Information. All information owned by one party (or another member of its Group) that is furnished to or accessed by the other party (or another member of its Group) under Section 4.1 or Section 4.2 shall, to the fullest extent permitted by Applicable Law, be deemed to remain the property of the providing party. Unless specifically set forth herein or in any Ancillary Agreement, nothing contained in this Agreement shall be construed to grant or confer rights of license or otherwise in any such information.

Section 4.5 Retention of Records. Except as otherwise required by Applicable Law or agreed to by the parties in writing, for a period of seven years following the Distribution Date, each party shall, and shall, to the fullest extent permitted by Applicable Law, cause the other members of its Group to, retain any and all information in its possession or control relating to the other Group's Business in accordance with the document retention practices of SWBI as in effect as of the date hereof. Each party shall not, and shall, to the fullest extent permitted by Applicable Law, cause the other members of its Group not to, destroy, or permit the destruction, or otherwise dispose, or permit the disposal, of any such information, subject to such retention practice, unless, prior to such destruction or disposal, the party proposing (or whose Group member is proposing) such destruction or disposal (the "Disposing Party") provides not less than 30 days' prior written notice to the other party (the "Receiving Party"), specifying the information proposed

to be destroyed or disposed of and the scheduled date for such destruction or disposal. If the Receiving Party shall request in writing prior to the scheduled date for such destruction or disposal that any of the information proposed to be destroyed or disposed of be delivered to the Receiving Party, the Disposing Party shall promptly arrange for the delivery of such of the information as was requested at the expense of the Receiving Party; provided that, if the Disposing Party reasonably determines that any such provision of information would violate any Applicable Law or agreement to which such party or other member of its Group is a party, or waive or adversely affect the ability to successfully assert any Privilege applicable to such party or any member of its Group, the parties shall use commercially reasonable efforts to permit the prompt compliance with such request in a manner that avoids any such harm or consequence. Any records or documents that were subject to a litigation hold prior to the Distribution Date must be retained by the applicable party (or other member of its Group) until such party or member of its Group is notified by the other party that the litigation hold is no longer in effect.

Section 4.6 Confidentiality. Each party acknowledges that it or another member of its Group may have in its possession, and, in connection with this Agreement and the Ancillary Agreements, may receive, Confidential Information of the other party or any other member of its Group (including information in the possession of such other party or any other member of its Group relating to its clients or customers). Each party shall hold and shall cause its directors, officers, employees, agents, consultants, and advisors ("Representatives") and the other members of its Group and their Representatives to hold in strict confidence and not to use, except as permitted by this Agreement or any Ancillary Agreement, all such Confidential Information concerning the other Group unless (a) such party or any of the other members of its Group or its or their Representatives is compelled to disclose such Confidential Information by judicial or administrative process or by other requirements of Applicable Law, or (b) such Confidential Information can be shown to have been (i) in the public domain through no fault of such party or any of the other members of its Group or its or their Representatives, (ii) lawfully acquired after the Distribution Date on a non-confidential basis from other sources not known by such party or other members of its Group to be under any legal obligation to keep such information confidential, or (iii) developed by such party or any of the other members of its Group or its or their Representatives without the use of any Confidential Information of the other Group. Notwithstanding the foregoing, such party or other member of its Group or its or their Representatives may disclose such Confidential Information to the other members of its Group and its or their Representatives so long as such Persons are informed by such Person of the confidential nature of such Confidential Information and are directed by such Person to treat such information confidentially. The obligation of each party and the other members of its Group and its and their Representatives to hold any such Confidential Information in confidence shall be satisfied if they exercise the same level of care with respect to such Confidential Information as they would with respect to their own proprietary information. If such party or other member of its Group or any of its or their Representatives becomes legally compelled to disclose any documents or information subject to this Section 4.6, such party or other member of its Group shall promptly notify the other party and, upon request, use commercially reasonable efforts to cooperate with the other party's or Group's efforts to seek a protective order or other remedy. If no such protective order or other remedy is obtained or if the other party waives in writing such party's compliance with this Section 4.6, such party or the other member of its Group or its or their Representatives may furnish only that portion of the information which it concludes, after consultation with counsel, is legally required to be disclosed and will exercise its commercially reasonable efforts to obtain reliable assurance that confidential treatment will be accorded such information. Each party agrees to be responsible for any breach of this Section 4.6 by it, the other members of its Group, and its and their Representatives.

Section 4.7 Privileged Information.

(a) Notwithstanding the further provisions of this Section 4.7, each of the parties agrees, for itself and, to the fullest extent permitted by Applicable Law, for the other members of its Group, that legal services rendered prior to the Distribution Time with respect to the transactions contemplated by this Agreement and the other Distribution Documents were rendered to both the SWBI Group and the AOUT Group and both the SWBI Group and the AOUT Group shall be considered the client with respect to such legal services for the purposes of any Privilege relating to such legal services.

(b) Each of the parties agrees, for itself and, to the fullest extent permitted by Applicable Law, for the other members of its Group, (i) that all documents or other information subject to any Privilege ("Privileged Information") of any member of either Group shall survive the assignment, contribution, conveyance, transfer, delivery, and acceptance of the AOUT Assets and the SWBI Assets, respectively, and the assignment, contribution, conveyance, transfer, delivery, and assumption of the AOUT Liabilities and the SWBI Liabilities, respectively, pursuant to Article 2, and (ii) to use commercially reasonable efforts to protect and maintain any Privileged Information in a manner that prevents any Privilege from being waived or in a manner that would adversely affect the protection of such Privilege.

(c) Each of the parties agrees, for itself and, to the fullest extent permitted by Applicable Law, for the other members of its Group, that (i) any Privileged Information relating to the SWBI Assets, the SWBI Assumed Liabilities, the SWBI Assumed Actions, or the Firearm Business shall belong to SWBI or the relevant SWBI Designee and any right to control, assert, and/or waive any Privilege relating thereto shall be controlled by SWBI or the relevant SWBI Designee, (ii) any Privileged Information relating to the AOUT Assets, the AOUT Assumed Liabilities, the AOUT Assumed Actions, or the Outdoor Products and Accessories Business shall belong to AOUT or the relevant AOUT Designee and any right to control, assert, and/or waive any Privilege relating thereto shall be controlled AOUT or the relevant AOUT Designee, (iii) it would be impracticable to remove or segregate any Privileged Information relating to the SWBI Assets, the SWBI Assumed Liabilities, the SWBI Assumed Actions, or the Firearm Business, and therefore the failure of any member of the AOUT Group to remove or segregate any Privileged Information relating to the SWBI Assets, the SWBI Assumed Liabilities, or the Firearm Business shall, to the fullest extent permitted by Applicable Law, not constitute a waiver of any such Privilege, and (iv) it would be impracticable to remove or segregate any Privileged Information relating to the AOUT Assets, the AOUT Assumed Liabilities, the AOUT Assumed Actions, or the Outdoor Products and Accessories Business, and therefore the failure of any member the SWBI Group to remove or segregate any Privileged Information relating to the AOUT Assets, the AOUT Assumed Liabilities, the AOUT Assumed Actions, or the Outdoor Products and Accessories Business shall, to the fullest extent permitted by Applicable Law, not constitute a waiver of any such Privilege.

(d) Upon the receipt by any member of the AOUT Group of any subpoena, discovery request or other request, that may reasonably be expected to require the production or disclosure of Privileged Information relating to the SWBI Assets, the SWBI Assumed Liabilities, the SWBI Assumed Actions, or the Firearm Business, AOUT shall promptly notify SWBI of the subpoena, discovery request, or other request and shall provide SWBI a reasonable opportunity to review such subpoena, discovery request, or other request and to assert any Privilege or right any member of the SWBI Group may have to prevent the disclosure of such Privileged Information or to preserve any Privilege with respect to such Privileged Information. Upon the receipt by any member of the SWBI Group of any subpoena, discovery request, or other request that may reasonably be expected to require the production or disclosure of Privileged Information relating to the AOUT Assets, the AOUT Assumed Liabilities, the AOUT Assumed Actions, or the Outdoor Products and Accessories Business, SWBI shall promptly notify AOUT of the subpoena, discovery request, or other request and shall provide AOUT with a reasonable opportunity to review such subpoena, discovery request, or other request and to assert any Privilege or right any member of the AOUT Group may have to prevent the disclosure of such Privileged Information or to preserve any Privilege with respect to such Privileged Information.

Section 4.8 Limitation of Liability. Except as otherwise provided in this Agreement, no party (or any other member of its Group) shall have any liability to any other party (or any other member of its Group) in the event that any information, books, or records exchanged or provided pursuant to this Agreement is found to be inaccurate or the requested information, books, or records is not provided, in the absence of willful misconduct by the party (or any other member of its Group) requested to provide such information, books, or records. No party (or any other member of its Group) shall have any liability to any other party (or any other member of its Group) if any information, books, or records is destroyed after commercially reasonable efforts by such party (or any other member of its Group) to comply with the provisions of Section 4.5.

Section 4.9 Other Agreements Providing for Exchange of Information. The rights and obligations granted under this Article 4 are subject to any specific limitations, qualifications, or additional provisions on the sharing, exchange, retention, rights to use, or confidential treatment of Confidential Information set forth in any Ancillary Agreement. Notwithstanding anything in this Agreement to the contrary, (a) the Tax Matters Agreement shall govern the retention of Tax related records and the exchange of Tax related information and (b) the Employee Matters Agreement shall govern the retention of employment and benefits related records.

Section 4.10 Conduct of Incidents Subject to SWBI Insurance.

(a) AOUT, for itself and the other members of its Group, acknowledges and agrees that coverage for the Outdoor Products and Accessories Business under the insurance policies of SWBI and the members of the SWBI Group (other than insurance policies, insurance contracts, and claim administration contracts established in contemplation of the Distribution to cover only the AOUT Group after the Distribution Time (the "Post-Distribution Insurance Arrangements")) will cease as of the Distribution Time, and that, except as set forth in this Section 4.10, neither SWBI nor any member of its Group will purchase or be required to purchase any "tail" policy or other additional or substitute coverage for the benefit of AOUT or the other members of the AOUT Group relating to the Outdoor Products and Accessories Business applicable in any period after the Distribution Time.

(b) Notwithstanding the foregoing, SWBI, for itself and the other members of its Group, agrees that SWBI or any other member of its Group shall, with respect to (i) any act, omission, circumstance, occurrence, or incident arising prior to the Distribution Time that relates to the Outdoor Products and Accessories Business that is potentially covered by an occurrence-based insurance policy of SWBI or any other member of its Group (each, a "SWBI Occurrence-Based Policy") in effect prior to the Distribution Time, (ii) any act, omission, circumstance, occurrence, or incident arising or occurring prior to the Distribution Time that relates to the Outdoor Products and Accessories Business that is potentially covered by an insurance policy of SWBI or any other member of its Group written on a "claims made" basis ("SWBI Claims-Made Policies") in effect prior to the Distribution Time, or (iii) any act, omission, circumstance, occurrence, or incident arising or occurring prior to the Distribution Time that relates to the Outdoor Products and Accessories Business that is potentially covered by an insurance policy of SWBI or any other member of its Group written on a "loss discovered" basis ("SWBI Loss Discovered-Policies" and together with the SWBI Occurrence-Based Policies and the SWBI Claims-Made Policies, the "SWBI Shared Policies") (i) not relinquish any of its or their rights, or take any actions (other than the making of claims under the SWBI Shared Policies) that could reasonably be expected to reduce or otherwise limit the available coverage for any claim with respect to any act, omission, circumstance, occurrences, or incident arising prior to the Distribution Time that relates to the Outdoor Products and Accessories Business under any of the SWBI Shared Policies, (ii) upon request of AOUT or any other member of its Group, report such claim with respect to any act, omission, circumstance, occurrences, or incident to the appropriate insurer as promptly as practicable and in accordance with the terms and conditions of the applicable SWBI Shared Policy and use commercially reasonable efforts to administer such claims, (iii) include AOUT and the

relevant member of its Group on material correspondence and any possible Action relating to such claim with respect to any act, omission, circumstance, occurrence, or incident, and (iv) instruct that such proceeds are paid directly to the injured party in settlement of any claim with respect to any act, omission, circumstance, occurrence, or incident, rather than to SWBI or the other members of its Group, or, if such proceeds are received by SWBI or any other member of its Group, pay such proceeds over to AOUT or the other relevant member of its Group; provided that AOUT shall, and shall, to the fullest extent permitted by Applicable Law, cause the other members of its Group to, notify SWBI promptly of any potential claim with respect to any act, omission, circumstance, occurrence, or incident, and cooperate in the investigation and pursuit of any claim, and the AOUT Group shall have the right to effectively associate in the pursuit of any claim with respect to any act, omission, circumstance, occurrence, or incident, including the ability to withhold consent to any proposed claim settlement (such consent not to be unreasonably conditioned, withheld, or delayed) and shall bear all reasonable out-of-pocket expenses incurred by SWBI or the other members of its Group in connection with the foregoing; provided further that SWBI and the other members of its Group shall be obligated to use only commercially reasonable efforts to pursue any claim with respect to any act, omission, circumstance, occurrence, or incident that are potentially covered by available SWBI Shared Policies and shall not, for the avoidance of doubt, have any obligation to commence any litigation with respect to any matter potentially covered by any SWBI Shared Policy unless the costs of such litigation are borne by the AOUT Group. The AOUT Group shall bear responsibility for any deductible payments required to be made under the SWBI Shared Policies in respect of any such claims with respect to any such act, omission, circumstance, occurrence, or incident.

(c) Notwithstanding the foregoing Section 4.10(a), with respect to the SWBI Loss Discovered Policies providing cyber and privacy coverage to SWBI and the other members of its Group, on the one hand, and the Post-Distribution Insurance Arrangements providing cyber and privacy coverage to AOUT and the other members of its Group, on the other hand (collectively, the "Cyber Policies"), in the event of any Cyber Event arising or occurring at or following the Distribution Time that affects, impacts, or relates to both SWBI (or any other member of its Group) and AOUT (or any other member of its Group) and that is potentially covered by such Cyber Policies (a "Cyber Insurance Event"), including any Cyber Event occurring in connection with services to be provided pursuant to the Transition Services Agreement, then SWBI and the other members of its Group, on the one hand, and AOUT and the other members of its Group, on the other hand, shall cooperate in good faith with respect to the making of any claims with respect to such Cyber Insurance Event with the respective Cyber Policies of the AOUT Group, on the one hand, and the SWBI Group, on the other hand; provided that neither SWBI and the other members of its Group, on the one hand, nor AOUT and the other members of its Group, on the other hand, shall be covered by, or have any right to make any claim against or otherwise seek coverage under, any of the Cyber Policies of the other Group with respect to any such Cyber Insurance Event.

(d) If, after the Distribution Time, AOUT or any of the other members of its Group reasonably requires any information regarding claims data for renewal purposes or other information pertaining to a claim or to any occurrence or alleged wrongful act, omission, circumstance, occurrence, or incident which occurred prior to the Distribution Time (regardless of when such occurrences or alleged wrongful acts, omissions, circumstances, occurrences, or incidents may be reported) that could reasonably be expected to give rise to a claim (including any pre-Distribution claims under any SWBI Shared Policy) in order to give notice to or make filings with insurance carriers or claims adjustors or administrators or to adjust, administer, or otherwise manage a claim, then, subject to the provisos in Section 4.10, SWBI shall cause such information to be supplied to AOUT or the relevant member of its Group, to the extent such information is in the possession and control of the SWBI Group or can be reasonably obtained by the SWBI Group, reasonably promptly upon a written request therefore. In furtherance of the foregoing, if any Third Party requires the consent of any member of the SWBI Group to the disclosure of claims data or information maintained by an insurance company or other Third Party in respect of any claim (including any pre- Distribution claims under any SWBI Shared Policy), such consent shall not be unreasonably withheld, conditioned, or delayed.

Section 4.11 Trademark Phase Out.

(a) Except as expressly provided in the Trademark License Agreement or any Post-Distribution Commercial Agreement, as soon as reasonably practicable, but in any event within one hundred eighty (180) days, following the Distribution Time, AOUT shall, and shall, to the fullest extent permitted by Applicable Law, cause the members of the AOUT Group to, cease any and all use of the SWBI Names and Marks and remove, conceal, cover, redact, and/or replace the SWBI Names and Marks from any and all AOUT Assets and any other assets and materials under their possession or control bearing such SWBI Names and Marks.

(b) Except as expressly provided in any Post-Distribution Commercial Agreement, as soon as reasonably practicable, but in any event within one hundred eighty (180) days, following the Distribution Time, SWBI shall, and shall, to the fullest extent permitted by Applicable Law, cause the members of the SWBI Group to, cease any and all use of the AOUT Names and Marks and remove, conceal, cover, redact, and/or replace the AOUT Names and Marks from any and all SWBI Assets and any other assets and materials under their possession or control bearing such AOUT Names and Marks.

ARTICLE 5
RELEASE; INDEMNIFICATION

Section 5.1 Release of Pre-Distribution Claims.

(a) Except (i) as provided in Section 5.1(b) and (ii) as otherwise expressly provided in this Agreement or any Ancillary Agreement, each party does hereby, on behalf of itself and, to the fullest extent permitted by Applicable Law, each other member of its Group, and each of their successors and permitted assigns, release and forever discharge the other party and the other members of such party's Group, and their respective successors and permitted assigns, and all Persons who at any time prior to the Distribution Time have been directors, officers, employees, or attorneys serving as independent contractors of such other party or any other member of its Group (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors, and permitted assigns (collectively, the "Released Parties" and each, a "Released Party"), from any and all demands, Claims, Actions, and Liabilities whatsoever, whether at law or in equity (including any right of contribution or any right pursuant to any Environmental Law whether now or hereinafter in effect), whether arising under any Contract, by operation of law or otherwise (and including for the avoidance of doubt, those arising as a result of the negligence, strict liability, or any other liability under any theory of law or equity of, or any violation of Applicable Law by any Released Party), existing or arising from any acts, omissions, circumstances, occurrences, or incidents occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed on or before the Distribution Time.

(b) Nothing contained in Section 5.1(a) shall impair any right of any Person identified in Section 5.1(a) to enforce this Agreement or any Ancillary Agreement. Nothing contained in Section 5.1(a) shall release or discharge any Person from:

(i) any Liability assumed, transferred, assigned, retained, or allocated to that Person in accordance with, or any other Liability of that Person under, this Agreement or any of the Ancillary Agreements;

(ii) any Liability that is expressly specified in this Agreement (including Section 2.6 and Section 2.7) or any Ancillary Agreement to continue after the Distribution Time, but subject to any limitation set forth in this Agreement (including Section 2.6 and Section 2.7) or any Ancillary Agreement relating specifically to such Liability;

(iii) any demand, Claim, Action, or Liability that the parties may have with respect to claims for indemnification, recovery, or contribution brought pursuant to this Agreement or any Ancillary Agreement, which demand, Claim, Action, or Liability shall be governed by the provisions of this Article 5, or, if applicable, the appropriate provisions of the Ancillary Agreements; or

(iv) any demand, Claim, Action, or Liability the release of which would result in the release of any Person, other than a Released Party; provided, however, that the parties hereto agree not to bring or allow, to the fullest extent permitted by Applicable Law, any other member of its Group to bring any suit, action, or proceeding against the other party, any other member of its Group, or any related Released Party with respect to any such Liability.

In addition, nothing contained in Section 5.1(a) shall release any party or any member of its Group from honoring its existing obligations to indemnify, or advance expenses to, any Person (x) who was a director, officer, employee, or agent of such party or any other member of its Group at or prior to the Distribution Time, or (y) was serving at the request of such party or any other member of its Group as a director, officer, employee, or agent of another Person (other than an individual) at or prior to the Distribution Time, in each case, to the extent such Person was entitled to such indemnification or advancement of expenses pursuant to then-existing obligations; provided, however, that to the extent applicable, Section 5.2 hereof shall determine whether any party shall be required to indemnify the other or another member of its Group in respect of such Liability.

(c) No party hereto shall make, nor, to the fullest extent permitted by Applicable Law, permit any other member of its Group to make, any demand or Claim, or commence any Action asserting any demand or Claim, including any Claim of or demand for contribution or indemnification, against the other party, or any related Released Party, with respect to any demand, Claim, Action, or Liability released pursuant to Section 5.1(a).

(d) It is the intent of each of the parties and the other members of their respective Group, by virtue of the provisions of this Section 5.1, to provide for a full and complete release and discharge of all Liabilities existing or arising from all acts, omissions, circumstances, occurrences, or incidents occurring or failing to occur or alleged to have occurred or to have failed to occur and all conditions existing or alleged to have existed on or before the Distribution Time between members of the SWBI Group, on the one hand, and members of the AOUT Group, on the other hand (including any Contract existing or alleged to exist between the Groups on or before the Distribution Time), except as expressly set forth in Section 5.1(b) or as expressly provided in this Agreement or any Ancillary Agreement. At any time, at the reasonable request of either SWBI or AOUT, the other party hereto shall and shall, to the fullest extent permitted by Applicable Law, cause the other members of its Group to, execute and deliver releases reflecting the provisions hereof.

Section 5.2 AOUT Indemnification of the SWBI Group.

(a) Effective as of and after the Distribution Time, AOUT shall indemnify, defend, and hold harmless each member of the SWBI Group, each Affiliate thereof, and each of their respective past, present, and future directors, officers, employees, and agents and the respective heirs, executors, administrators, successors, and permitted assigns of any of the foregoing (collectively, the "SWBI Indemnitees" and each, a "SWBI Indemnitee") from and against any and all Liabilities incurred or suffered

by any of the SWBI Indemnitees arising out of or in connection with (i) any of the AOUT Liabilities, or the failure of any member of the AOUT Group to pay, perform, or otherwise discharge any of the AOUT Liabilities, (ii) any breach by AOUT or any other member of the AOUT Group of this Agreement or any Ancillary Agreement, (iii) the ownership or operation of the Outdoor Products and Accessories Business or the AOUT Assets, prior to, on, or after the Distribution Date, (iv) any payments made by SWBI or any other member of the SWBI Group in respect of any Guarantee given or obtained by any member of the SWBI Group for the benefit of any member of the AOUT Group or the Outdoor Products and Accessories Business, or any Liability of any member of the SWBI Group in respect thereof, and (v) any use of any Licensed SWBI IP (as defined in the Trademark License Agreement) or the SWBI Names and Marks by AOUT, by any member of the AOUT Group or any permitted sublicensee under the Trademark License Agreement.

(b) Effective as of and after the Distribution Time, AOUT shall indemnify, defend, and hold harmless each of the SWBI Indemnitees and each Person, if any, who controls any SWBI Indemnitee within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act from and against any and all Liabilities caused by any untrue statement or alleged untrue statement of a material fact contained in the Form 10, the Information Statement, the Equity Compensation Registration Statement, or any offering or marketing materials prepared in connection with the AOUT Financing Arrangements or caused by any omission or alleged omission to state therein a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, in each case, to the extent, but only to the extent that, such Liabilities are caused by any such untrue statement or omission or alleged untrue statement or omission based on information furnished by the AOUT Group regarding the business, operations, financial results, stockholder communications, risks, management, management compensation levels, and stock ownership of AOUT.

Section 5.3 SWBI Indemnification of the AOUT Group.

(a) Effective as of and after the Distribution Time, SWBI shall indemnify, defend, and hold harmless each member of the AOUT Group, each Affiliate thereof, and each of their respective past, present, and future directors, officers, employees, and agents and the respective heirs, executors, administrators, successors, and permitted assigns of any of the foregoing (collectively, the "AOUT Indemnitees" and each, an "AOUT Indemnitee") from and against any and all Liabilities incurred or suffered by any of the AOUT Indemnitees and arising out of or in connection with (i) any of the SWBI Liabilities, or the failure of any other member of the SWBI Group to pay, perform, or otherwise discharge any of the SWBI Liabilities, (ii) any breach by SWBI or any other member of the SWBI Group of this Agreement or any Ancillary Agreement, (iii) the ownership or operation of the Firearm Business or the SWBI Assets, prior to, on, or after the Distribution Date, and (iv) any payments made by AOUT or any other member of the AOUT Group in respect of any Guarantee given or obtained by any member of the AOUT Group for the benefit of any member of the SWBI Group or the Firearm Business, or any Liability of any member of the AOUT Group in respect thereof.

(b) Effective as of and after the Distribution Time, SWBI shall indemnify, defend, and hold harmless each of the AOUT Indemnitees and each Person, if any, who controls any AOUT Indemnitee within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act from and against any and all Liabilities caused by any untrue statement or alleged untrue statement of a material fact contained in the Form 10, the Information Statement, the Equity Compensation Registration Statement, or any offering or marketing materials prepared in connection with the AOUT Financing Arrangements or caused by any omission or alleged omission to state therein a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, in each case to the extent, but only to the extent, that such Liabilities are caused by any such untrue statement or omission or alleged untrue statement or omission based on information furnished by any member of the SWBI Group regarding the business, operations, financial results, stockholder communications, risks, management, management compensation levels, and stock ownership of SWBI.

Section 5.4 Procedures.

(a) The SWBI Indemnitee or AOUT Indemnitee seeking indemnification under Section 5.2 or Section 5.3, respectively (the "Indemnified Party"), agrees to give prompt notice to the party against whom indemnity is sought (the "Indemnifying Party") of the assertion of any demand or claim, or the commencement of any other Action (each, a "Claim") in respect of which indemnity may be sought under Section 5.2 or Section 5.3, as applicable, and shall provide the Indemnifying Party such information with respect thereto that the Indemnifying Party may reasonably request. The failure to so notify the Indemnifying Party shall not relieve the Indemnifying Party of its obligations under Section 5.2 or Section 5.3, as applicable, except to the extent such failure shall have prejudiced the Indemnifying Party.

(b) The Indemnifying Party shall be entitled to participate in the defense of any Claim asserted by any Third Party ("Third Party Claim") and, subject to the limitations set forth in this Section 5.4, if it so notifies the Indemnified Party no later than 30 days after receipt of the notice described in Section 5.4(a), shall be entitled to control and appoint lead counsel for such defense, in each case at its expense. If the Indemnifying Party does not so notify the Indemnified Party, the Indemnified Party shall have the right to defend or contest such Third Party Claim through counsel chosen by the Indemnified Party that is reasonably acceptable to the Indemnifying Party, subject to the provisions of this Section 5.4. The Indemnified Party shall provide the Indemnifying Party and such counsel with such information regarding such Third Party Claim as either of them may reasonably request (which request may be general or specific).

(c) If the Indemnifying Party shall assume the control of the defense of any Third Party Claim in accordance with the provisions of Section 5.4(b), (i) the Indemnifying Party shall obtain the prior written consent of the Indemnified Party (which shall not be unreasonably withheld) before entering into any settlement of such Third Party Claim, if the settlement does not release the Indemnified Party from all Liabilities and obligations with respect to such Third Party Claim or the settlement imposes injunctive or other equitable relief against the Indemnified Party or any of its related Indemnitees or is otherwise materially prejudicial to any such Person and (ii) the Indemnified Party shall be entitled to participate in (but not control) the defense of such Third Party Claim and, at its own expense, to employ separate counsel of its choice for such purpose; provided that in the event of a conflict of interest between the Indemnifying Party and such Indemnified Party, the reasonable and documented fees and expenses of such separate counsel shall be at the Indemnifying Party's expense.

(d) Each of the Indemnifying Party and the Indemnified Party shall cooperate, and shall cause, to the fullest extent permitted by Applicable Law, their respective Affiliates to, cooperate, in the defense or prosecution of any Third Party Claim and shall furnish or cause to be furnished such records, information, and testimony, and attend such conferences, discovery proceedings, hearings, trials, or appeals, as may be reasonably requested in connection therewith.

(e) Each Indemnified Party shall use commercially reasonable efforts to collect any amounts available under insurance coverage, or from any other Person alleged to be responsible, for any Liabilities payable under Section 5.2 or Section 5.3 and the reasonable expenses incurred in connection therewith shall be treated as Liabilities subject to indemnification under Section 5.2 or Section 5.3.

(f) If any Third Party Claim shall be brought against a member of either Group, then the Action relating to such Third Party Claim shall be deemed to be an AOUT Assumed Action or an SWBI Assumed Action in accordance with Sections 4.2(a) or 4.2(b), respectively, to the extent applicable, and AOUT, in the case of any AOUT Assumed Action, or SWBI, in the case of any SWBI Assumed Action,

shall be deemed to be the Indemnifying Party for the purposes of this Article 5. In the event of any Action in which the Indemnifying Party is not also named defendant, at the request of either the Indemnified Party or the Indemnifying Party, the parties shall and shall, to the fullest extent permitted by Applicable Law, cause its applicable Affiliate to, use commercially reasonable efforts to substitute the Indemnifying Party or its applicable Affiliate for the named defendant in the Action.

Section 5.5 Calculation of Indemnification Amount. Any indemnification amount owed pursuant to Section 5.2 or Section 5.3 shall be paid (a) net of any amounts actually recovered by the Indemnified Party under applicable Third Party insurance policies or from any other Third Party alleged to be responsible therefor, and (b) taking into account any Tax Benefit allowable to the Indemnified Party and any Tax cost incurred by the Indemnified Party arising from the incurrence or payment of the relevant Liabilities. SWBI and AOUT agree that, for all Tax purposes, any payment made pursuant to this Article 5 will be treated as provided under Section 2.01(d) of the Tax Matters Agreement. If the Indemnified Party receives any amounts under applicable Third Party insurance policies, or from any other Third Party alleged to be responsible for any Liabilities, subsequent to an indemnification payment by the Indemnifying Party in respect thereof, then such Indemnified Party shall promptly reimburse the Indemnifying Party for any payment made by such Indemnifying Party in respect thereof up to the amount received by the Indemnified Party from such Third Party insurance policy or Third Party, as applicable.

Section 5.6 Contribution. If for any reason the indemnification provided for in Section 5.2 or Section 5.3 is unavailable to any Indemnified Party, or insufficient to hold it harmless, then the Indemnifying Party shall contribute to the amount paid or payable by such Indemnified Party as a result of such Liabilities in such proportion as is appropriate to reflect the relative fault of the SWBI Group, on the one hand, and the AOUT Group, on the other hand, in connection with the act, omission, circumstance, occurrence, or incident that resulted in such Liabilities. In case of any Liabilities arising out of or related to information contained in the Form 10, the Information Statement, the Equity Compensation Registration Statement, or any offering or marketing materials prepared in connection with the AOUT Financing Arrangements, the relative fault of the SWBI Group, on the one hand, and the AOUT Group, on the other hand, shall be determined by reference to, among other things, whether the untrue statement or alleged untrue statement of a material fact or the omission or alleged omission of a material fact relates to information supplied by AOUT or any other member of its Group, on the one hand, or SWBI or any other member of its Group, on the other hand.

Section 5.7 Non-Exclusivity of Remedies. Subject to Section 5.1, the remedies provided for in this Article 5 are not exclusive and shall, to the fullest extent permitted by Applicable Law, not limit any rights or remedies which may otherwise be available to any Indemnified Party at law or in equity; provided that the procedures set forth in Sections 5.4 and 5.5 shall be the exclusive procedures governing any indemnity action brought under this Article 5.

Section 5.8 Survival of Indemnities. The rights and obligations of any Indemnified Party or Indemnifying Party under this Article 5 shall survive the sale or other transfer of any such Person of any of its assets, business, or liabilities.

Section 5.9 Ancillary Agreements. If an indemnification claim is covered by the indemnification provisions of an Ancillary Agreement, the claim shall be made under the Ancillary Agreement to the extent applicable and the provisions thereof shall govern such claim. In no event shall any Person be entitled to double recovery from the indemnification provisions of this Agreement and any Ancillary Agreement.

ARTICLE 6

MISCELLANEOUS

Section 6.1 Notices. Any notice, instruction, direction, or demand under the terms of this Agreement required to be in writing shall be duly given upon delivery, if delivered by hand, facsimile transmission, mail, or e-mail transmission to the following addresses:

If to SWBI to:

Smith & Wesson Brands, Inc.
2100 Roosevelt Avenue
Springfield, Massachusetts 01104
Email: rcicero@smith-wesson.com
Attn: General Counsel

with a copy to:

Greenberg Traurig, LLP
2375 East Camelback Road, Suite 700
Phoenix, Arizona 85016
Email: kantr@gtlaw.com
beckk@gtlaw.com
Attn: Robert S. Kant
Katherine A. Beck

If to AOUT to:

American Outdoor Brands, Inc.
1800 North Route Z
Columbia, Missouri 65202
Email: dbrown@aob.com
Attn: Chief Counsel

with a copy to:

Greenberg Traurig, LLP
2375 East Camelback Road, Suite 700
Phoenix, Arizona 85016
Email: kantr@gtlaw.com
beckk@gtlaw.com
Attn: Robert S. Kant
Katherine A. Beck

or such other address or facsimile number as such party may hereafter specify for the purpose by notice to the other party hereto. All such notices, requests, and other communications shall be deemed received on the date of receipt by the recipient thereof if received prior to 5:00 p.m. in the place of receipt and such day is a Business Day in the place of receipt. Otherwise, any such notice, request, or communication shall be deemed not to have been received until the next succeeding Business Day in the place of receipt.

Section 6.2 Amendments; No Waivers(a) .

(a) Any provision of this Agreement may be amended or waived if, and only if, such amendment or waiver is in writing and is signed, in the case of an amendment, by SWBI and AOUT, or in the case of a waiver, by the party against whom the waiver is to be effective.

(b) No failure or delay by any party in exercising any right, power, or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power, or privilege. The rights and remedies herein provided shall, to the fullest extent permitted by Applicable Law, be cumulative and not exclusive of any rights or remedies provided by Applicable Law.

Section 6.3 Expenses. SWBI and AOUT shall each bear the costs and expenses incurred or paid by it or the other members of its respective Group in connection with the Transfer, the Distribution, and any other related transaction, as applicable, set forth below their respective names on Schedule 6.3. All other third-party fees, costs, and expenses paid or incurred in connection with the foregoing (except as specifically allocated pursuant to the terms of this Agreement or any Ancillary Agreement) shall be paid by the party or Group incurring such fees or expenses, whether or not the Distribution occurs, or as otherwise agreed by the parties in writing.

Section 6.4 Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns; provided that neither party may assign, delegate, or otherwise transfer any of its rights or obligations (or those of any other member of its Group) under this Agreement without the consent of the other party hereto. If any party or any of its successors or permitted assigns (a) shall consolidate with or merge into any other Person and shall not be the continuing or surviving corporation or entity of such consolidation or merger or (b) shall transfer all or substantially all of its properties and assets to any Person, then, and in each such case, proper provisions shall be made so that the successors and permitted assigns of such party shall assume all of the obligations of such party under this Agreement and the other Distribution Documents.

Section 6.5 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to the conflicts of law rules of such State, all rights and remedies being governed by said laws.

Section 6.6 Counterparts; Effectiveness; Third-Party Beneficiaries. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement shall become effective when each party hereto shall have received a counterpart hereof signed by the other party hereto. Until and unless each party has received a counterpart hereof signed by the other party hereto, this Agreement shall have no effect and no party shall have any right or obligation hereunder (whether by virtue of any other oral or written agreement or other communication). Except for Section 4.7 and the indemnification and release provisions of Article 5, neither this Agreement nor any provision hereof is intended to confer any rights, benefits, remedies, obligations, or liabilities hereunder upon any Person other than the parties hereto and their respective successors and permitted assigns.

Section 6.7 Entire Agreement. This Agreement and the other Distribution Documents constitute the entire understanding of the parties with respect to the subject matter hereof and thereof and supersede all prior agreements, understandings, and negotiations, both written and oral, between the parties with respect to the subject matter hereof and thereof. No representation, inducement, promise, understanding, condition, or warranty not set forth herein or in the other Distribution Documents has been made or relied upon by any party hereto or any other member of its Group with respect to the transactions contemplated hereby or by the other Distribution Documents, and such reliance is hereby expressly disclaimed by SWBI, for itself and, to the fullest extent permitted by Applicable Law, the other members of its Group, and AOUT for itself and, to the fullest extent permitted by Applicable Law, the other members of its Group. Except as provided in Section 2.4, without limiting Section 5.9 and subject to Section 6.8, in the event and to the extent that there shall be a conflict between the provisions of this Agreement and the provisions of any Ancillary Agreement, the Ancillary Agreement shall control with respect to the subject matter thereof, and this Agreement shall control with respect to all other matters; provided, that except as provided for in Section 2.4 to extent that there shall be a conflict between the provisions of this Agreement and the provisions of any Transfer Agreement, this Agreement shall control with respect to all matters.

Section 6.8 Tax Matters. Except as otherwise expressly provided herein, this Agreement shall not govern Tax matters (including any administrative, procedural, and related matters thereto), which shall be exclusively governed by the Tax Matters Agreement and the Employee Matters Agreement. For the avoidance of doubt, to the extent of any inconsistency between this Agreement and either of the Tax Matters Agreement or Employee Matters Agreement, the terms of the Tax Matters Agreement or Employee Matters Agreement, as the case may be, shall govern.

Section 6.9 Jurisdiction. To the fullest extent permitted by Applicable Law, each of the parties hereto, for themselves and, to the fullest extent permitted by Applicable Law, for the other members of their respective Group, (a) agrees that any suit, action, or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby shall be exclusively resolved by the Court of Chancery of the State of Delaware, or, if the Court of Chancery of the State of Delaware does not have jurisdiction over a particular matter, the Superior Court of the State of Delaware (and the Complex Commercial Litigation Division thereof if such division has jurisdiction over the particular matter) or, if the Superior Court of the State of Delaware does not have jurisdiction over a particular mater, any federal court of the United States sitting in the State of Delaware (the "Delaware Courts"), (b) irrevocably consents to the exclusive jurisdiction of the Delaware Courts (and of the appropriate appellate courts therefrom), (c) irrevocably waives any objection that it may now or hereafter have to the laying of the venue of any such suit, action, or proceeding in the Delaware Courts or that any such suit, action, or proceeding brought in the Delaware Courts has been brought in an inconvenient forum, (d) agrees that process in any such suit, action, or proceeding may be served on any party or any member of its Group anywhere in the world, whether within or outside of the jurisdiction of the Delaware Courts, and (e) agrees that service of process on such party or any member of the Group as provided in Section 6.1 shall be deemed effective service of process on such Person.

Section 6.10 WAIVER OF JURY TRIAL. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE PARTIES HERETO, FOR THEMSELVES AND, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, FOR THE OTHER MEMBERS OF THEIR RESPECTIVE GROUP, WAIVES ANY RIGHT SUCH PERSON MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY ACTION, SUIT, OR PROCEEDING SEEKING TO ENFORCE ANY PROVISIONS OF, OR BASED ON ANY MATTER ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTION CONTEMPLATED HEREBY.

Section 6.11 Termination. Notwithstanding any provision of this Agreement to the contrary, the Board of Directors of SWBI may, in its sole discretion and without the approval of AOUT or any other Person, at any time prior to the Distribution Time terminate this Agreement and/or abandon the Distribution, whether or not any Person has theretofore approved this Agreement and/or the Distribution. In the event this Agreement is terminated pursuant to the preceding sentence, this Agreement shall, to the fullest extent permitted by Applicable Law, forthwith become void and neither SWBI nor AOUT, nor any other member of their respective Group, nor any of their respective directors, officers, employees, or agents shall have any liability or further obligation to any other Person by reason of this Agreement.

Section 6.12 Severability. If any one or more of the provisions contained in this Agreement should be declared invalid, illegal, or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions contained in this Agreement shall not, to the fullest extent permitted by Applicable Law, in any way be affected or impaired thereby so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such a declaration, the parties shall modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner so that the transactions contemplated hereby are consummated as originally contemplated to the fullest extent possible.

Section 6.13 Survival. All covenants and agreements of the parties contained in this Agreement shall survive the Distribution Date indefinitely, unless a specific survival or other applicable period is expressly set forth herein.

Section 6.14 Captions. The captions herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof.

Section 6.15 Interpretation. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall, to the fullest extent permitted by Applicable Law, be construed as if drafted jointly by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of its authorship of any of the provisions of this Agreement.

Section 6.16 Specific Performance. Each party to this Agreement, for itself, and, to the fullest extent permitted by Applicable Law, for the other members of its Group, acknowledges and agrees that monetary damages for a breach or threatened breach of any of the provisions of this Agreement would be inadequate and irreparable harm would occur. In recognition of this fact, each party agrees, for itself, and, to the fullest extent permitted by Applicable Law, for the other members of its Group, that, if there is a breach or threatened breach, in addition to any damages, the nonbreaching party, without posting any bond, shall, to the fullest extent permitted by Applicable Law, be entitled to seek and obtain equitable relief in the form of specific performance, temporary restraining order, temporary or permanent injunction, attachment, or any other equitable remedy which may then be available to obligate the breaching party (a) to perform its obligations under this Agreement or (b) if the breaching party is unable, for whatever reason, to perform those obligations, to take any other lawful actions as are necessary, advisable, or appropriate to give the other party the economic effect which comes as close as possible to the performance of those obligations (including transferring, or granting liens on, the assets of the breaching party to secure the performance by the breaching party of those obligations).

Section 6.17 Performance. Each party shall cause to be performed all actions, agreements, and obligations set forth herein to be performed by any other member of such party’s Group.

[Signature Page Follows]

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the date first above written.

SMITH & WESSON BRANDS, INC.

By: */s/ Mark P. Smith*
Name: Mark P. Smith
Title: President and Chief Executive Officer

AMERICAN OUTDOOR BRANDS, INC.

By: */s/ Brian D. Murphy*
Name: Brian D. Murphy
Title: President and Chief Executive Officer

Exhibit 3.1

AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
AMERICAN OUTDOOR BRANDS, INC.

The present name of the corporation is "American Outdoor Brands, Inc." The corporation was incorporated under the name "American Outdoor Brands Spin Co." by the filing of its original certificate of incorporation with the Secretary of State of the State of Delaware on January 28, 2020. This Amended and Restated Certificate of Incorporation of the corporation, which both restates and further amends the provisions of the corporation's certificate of incorporation, was duly adopted in accordance with the provisions of Sections 242 and 245 of the General Corporation Law of the State of Delaware and by the written consent of its sole stockholder in accordance with Section 228 of the General Corporation Law of the State of Delaware. The certificate of incorporation of the corporation is hereby amended and restated to read in its entirety as follows:

FIRST. The name of the corporation is American Outdoor Brands, Inc. (the "Corporation").

SECOND. The address of the Corporation's registered office in the State of Delaware is 9 E. Loockerman Street, Suite 311, City of Dover, County of Kent, State of Delaware 19901. The name of its registered agent at such address is Registered Agent Solutions, Inc.

THIRD. The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware (as the same exists or may hereafter be amended, the "General Corporation Law").

FOURTH.

A. Capital Stock. The total number of shares of all classes of capital stock which the Corporation shall have authority to issue is One Hundred Twenty Million (120,000,000) shares, divided into: (i) One Hundred Million (100,000,000) shares, par value $0.001 per share, of common stock (the "Common Stock"); and (ii) Twenty Million (20,000,000) shares, par value $0.001 per share, of preferred stock (the "Preferred Stock").

B. Common Stock.

1. Dividends. Subject to applicable law and the rights, if any, of the holders of any series of Preferred Stock then outstanding, dividends may be declared and paid on the Common Stock at such times and in such amounts as the Board of Directors of the Corporation (the "Board of Directors") in its discretion shall determine.

2. Voting Rights. Except as otherwise provided by or pursuant to the provisions of this certificate of incorporation (including any certificate filed with the Secretary of State of the State of Delaware establishing a series of Preferred Stock) (as the same may be

amended or amended and restated, this "Certificate of Incorporation") or by applicable law, each holder of Common Stock, as such, shall be entitled to one (1) vote for each share of Common Stock held of record by such holder on all matters on which stockholders generally are entitled to vote.

3. Liquidation Rights. Subject to applicable law and the rights, if any, of the holders of any series of Preferred Stock then outstanding, in the event of any liquidation, dissolution or winding up of the Corporation, the holders of the Common Stock shall be entitled to receive the assets of the Corporation available for distribution to its stockholders ratably in proportion to the number of shares of Common Stock held by them. A merger or consolidation of the Corporation with or into any other corporation or other entity, or a sale or conveyance of all or any part of the assets of the Corporation (which shall not in fact result in the liquidation, dissolution or winding up of the Corporation and the distribution of assets to its stockholders) shall not be deemed to be a liquidation, dissolution or winding up of the Corporation within the meaning of this Section 3.

C. Preferred Stock. The Board of Directors is hereby expressly authorized, by resolution or resolutions thereof, to provide from time to time out of the unissued shares of Preferred Stock for one or more series of Preferred Stock, and, with respect to each such series, to fix the number of shares constituting such series and the designation of such series, the powers (including voting powers), if any, of the shares of such series and the preferences and relative, participating, optional, special or other rights, if any, and the qualifications, limitations or restrictions, if any, of the shares of such series. The designations, powers (including voting powers), preferences and relative, participating, optional, special and other rights of each series of Preferred Stock, if any, and the qualifications, limitations or restrictions thereof, if any, may differ from those of any and all other series of Preferred Stock at any time outstanding. Except as may otherwise be provided in this Certificate of Incorporation or by applicable law, no holder of any series of Preferred Stock then outstanding, as such, shall be entitled to any voting powers in respect thereof. The number of authorized shares of Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority in voting power of all of the then outstanding shares of capital stock of the Corporation entitled to vote irrespective of Section 242(b)(2) of the General Corporation Law, without the separate vote of the holders of the Preferred Stock as a class.

FIFTH. Board of Directors.

1. Management; Election of Directors. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors.

2. Removal of Directors. Except for any Preferred Directors, any director or the entire Board of Directors may be removed, solely by the affirmative vote of the holders of at least sixty-six and two-thirds percent ($66\ ^2/_3\%$) in voting power of the then outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class.

3. Vacancies. Subject to the rights, if any, of the holders of any series of Preferred Stock then outstanding, newly created directorships resulting from an increase in the authorized number of directors or any vacancies on the Board of Directors resulting from the death, resignation, disqualification, removal or other cause shall be filled solely and exclusively by a majority of the directors then in office, although less than a quorum, or by the sole remaining director. Any director so elected shall hold office until the expiration of the term of office of the director whom he or she has replaced and until his or her successor shall be elected and qualified, subject to such director's earlier death, resignation, disqualification or removal. No decrease in the number of directors shall shorten the term of any incumbent director.

4. Automatic Increase/Decrease in Authorized Directors. During any period when the holders of any series of Preferred Stock then outstanding have the right to elect one or more Preferred Directors, then upon commencement of, and for the duration of, the period during which such right continues: (i) the then otherwise total authorized number of directors of the Corporation shall automatically be increased by such specified Preferred Directors, and the holders of such series of Preferred Stock shall be entitled to elect such Preferred Director or Directors; and (ii) each such Preferred Director shall serve until such director's successor shall have been duly elected and qualified, or until such director's right to hold such office terminates, whichever occurs earlier, subject to such director's earlier death, resignation, disqualification or removal. Except as otherwise provided by or pursuant to the provisions of this Certificate of Incorporation, whenever the holders of any series of Preferred Stock then outstanding having the right to elect one or more Preferred Directors are divested of such right by or pursuant to the provisions of this Certificate of Incorporation, the term of office of each such Preferred Director elected by the holders of such series of Preferred Stock, or elected to fill any vacancy resulting from the death, resignation, disqualification or removal of each such Preferred Director, shall forthwith terminate and the total authorized number of directors of the Corporation shall automatically be decreased by such specified number of directors.

5. No Written Ballot. Unless and except to the extent that the bylaws of the Corporation shall so require, the election of directors of the Corporation need not be by written ballot.

6. Amendment of Bylaws. In furtherance and not in limitation of the powers conferred by the laws of the State of Delaware, the Board of Directors is expressly authorized to make, alter, amend and repeal the bylaws of the Corporation. In addition to any affirmative vote required by this Certificate of Incorporation, any bylaw that is to be made, altered, amended or repealed by the stockholders of the Corporation shall receive the affirmative vote of the holders of at least sixty-six and two-thirds percent (66 $^{2}/_{3}$%) in voting power of the then outstanding shares of stock of the Corporation generally entitled to vote, voting together as a single class.

7. Special Meetings of Stockholders. Except as otherwise provided by or pursuant to the provisions of this Certificate of Incorporation, special meetings of stockholders for any purpose or purposes may be called at any time, but only by (a) the Chairperson of the Board of Directors, (b) the President, or (c) the Board of Directors. Except as provided in the foregoing sentence, special meetings of stockholders may not be called by another person or persons. Any meeting of stockholders may be postponed by action of the Board of Directors or by the person calling such meeting (if other than the Board of Directors) at any time in advance of such meeting.

SIXTH. Except as otherwise provided by or pursuant to the provisions of this Certificate of Incorporation, no action that is required or permitted to be taken by the stockholders of the Corporation at any annual or special meeting of stockholders may be effected by consent of stockholders in lieu of a meeting of stockholders.

SEVENTH. A director of the Corporation shall not be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the General Corporation Law. Any amendment, modification or repeal of the foregoing sentence shall not adversely affect any right or protection of a director of the Corporation hereunder in respect of any act or omission occurring prior to the time of such amendment, modification or repeal.

EIGHTH. The Corporation reserves the right at any time, and from time to time, to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, and other provisions authorized by the laws of the State of Delaware at the time in force may be added or inserted, in the manner now or hereafter prescribed by applicable law; and all rights, preferences and privileges of whatsoever nature conferred upon stockholders, directors or any other persons whomsoever by and pursuant to this Certificate of Incorporation are granted subject to the rights reserved in this Article EIGHTH. In addition to any affirmative vote required by applicable law or this Certificate of Incorporation, the affirmative vote of the holders of at least sixty-six and two-thirds percent (66⅔%) in voting power of the then outstanding shares of stock of the Corporation generally entitled to vote, voting together as a single class, shall be required to amend, alter, repeal or adopt any provision inconsistent with Articles FIFTH, SIXTH or SEVENTH or this sentence.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has executed and acknowledged this Amended and Restated Certificate of Incorporation this 20th day of August, 2020.

AMERICAN OUTDOOR BRANDS, INC.

By: */s/ Brian D. Murphy*
Name: Brian D. Murphy
Office: President and Chief Executive Officer

Exhibit 3.2

AMENDED AND RESTATED BYLAWS OF AMERICAN OUTDOOR BRANDS, INC.

ARTICLE I

Meetings of Stockholders

Section 1.1 Annual Meetings. If required by applicable law, an annual meeting of stockholders shall be held for the election of directors at such date, time and place, if any, either within or without the State of Delaware, as may be designated by resolution of the Board of Directors of the Corporation (the "Board of Directors") from time to time. Any other proper business may be transacted at the annual meeting of stockholders.

Section 1.2 Special Meetings. Except as otherwise provided by or pursuant to the provisions of the corporation's certificate of incorporation (including any certificate filed with the Secretary of State of the State of Delaware establishing a series of preferred stock of the corporation) (as the same may be amended or amended and restated, the "Certificate of Incorporation"), special meetings of stockholders for any purpose or purposes may be called at any time, but only by (a) the Chairperson of the Board of Directors, (b) the President, or (c) the Board of Directors. Except as provided in the foregoing sentence, special meetings of stockholders may not be called by any other person or persons. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

Section 1.3 Notice of Meetings. Whenever stockholders are required or permitted to take any action at a meeting, a notice of the meeting shall be given that shall state the place, if any, date and hour of the meeting, the record date for determining stockholders entitled to vote at the meeting, if such date is different from the record date for determining stockholders entitled to notice of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Unless otherwise provided by applicable law, the Certificate of Incorporation or these Amended and Restated Bylaws (as the same may be amended or amended and restated, these "Bylaws"), the notice of any meeting shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting, as of the record date for determining the stockholders entitled to notice of the meeting.

Section 1.4 Adjournments. Any meeting of stockholders, annual or special, may adjourn from time to time to reconvene at the same or some other place, if any, and notice need not be given of any such adjourned meeting if the time and place, if any, thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new record date for stockholders entitled to vote is fixed for the adjourned meeting, the Board of Directors shall fix a new record date for notice of such adjourned meeting in accordance with Section 1.8 of these Bylaws, and shall give notice of the adjourned meeting to each stockholder of record entitled to vote at such adjourned meeting as of the record date fixed for notice of such adjourned meeting.

Section 1.5 Quorum. Except as otherwise provided by applicable law, the Certificate of Incorporation or these Bylaws, at each meeting of stockholders the presence in person or by proxy of the holders of a majority in voting power of the then outstanding shares of stock entitled to vote at the meeting shall be necessary and sufficient to constitute a quorum. In the absence of a quorum, the stockholders so present may, by a majority in voting power thereof, adjourn the meeting from time to time in the manner provided in Section 1.4 of these Bylaws until a quorum shall attend. Shares of its own stock belonging to the corporation or to another corporation, if a majority of the shares entitled to vote in the election of directors of such other corporation is held, directly or indirectly, by the corporation, shall neither be entitled to vote nor be counted for quorum purposes; provided, however, that the foregoing shall not limit the right of the corporation or any subsidiary of the corporation to vote stock, including but not limited to its own stock, held by it in a fiduciary capacity.

Section 1.6 Organization. Meetings of stockholders shall be presided over by the Chairperson of the Board of Directors, if any, or in his or her absence by the Vice Chairperson of the Board of Directors, if any, or in the absence of the foregoing persons by a chairperson designated by the Board of Directors, or in the absence of such designation by a chairperson chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his or her absence the chairperson of the meeting may appoint any person to act as secretary of the meeting.

Section 1.7 Proxies; Voting.

(a) Except as otherwise provided by or pursuant to the provisions of the Certificate of Incorporation, each stockholder entitled to vote at any meeting of stockholders shall be entitled to one (1) vote for each share of stock held by such stockholder which has voting power upon the matter in question. Each stockholder entitled to vote at a meeting of stockholders or to express consent to corporate action in writing without a meeting, if any, may authorize another person or persons to act for such stockholder by proxy, but no such proxy shall be voted or acted upon after three (3) years from its date, unless the proxy provides for a longer period. A proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A stockholder may revoke any proxy which is not irrevocable by attending the meeting and voting in person or by delivering to the Secretary a revocation of the proxy or a new proxy bearing a later date.

(b) Voting at meetings of stockholders need not be by written ballot.

(c) Except for directors, if any, elected by the holders of any series of preferred stock of the corporation (the "Preferred Stock") then outstanding pursuant to any applicable provisions of the Certificate of Incorporation (collectively, the "Preferred Directors" and each, a "Preferred Director"), and with respect to newly created directorships resulting from an increase in the authorized number of directors or any vacancies on the Board of Directors resulting from death, disqualification, removal or other cause, each director shall be elected by a majority of the votes cast with respect to the nominee for election to the Board of Directors at any meeting of stockholders at which directors are to be elected by the stockholders generally entitled to vote and a quorum is present; provided, however, that directors shall be elected by a plurality of the votes cast at any meeting of stockholders at which directors are to be elected by the stockholders generally entitled to vote, a quorum is present and a stockholder or stockholders of the corporation

generally entitled to vote has or have (1) nominated one or more individuals for election to the Board of Directors in compliance with Section 1.13 of these Bylaws such that the number of nominees for election to the Board of Directors exceeds the number of open seats, and (2) not withdrawn such Nomination or Nominations on or prior to the tenth (10th) day preceding the date the corporation first mails its notice of such meeting to the stockholders. When a quorum is present at any meeting of stockholders, all other elections, questions or business presented to the stockholders at such meeting shall be decided by the affirmative vote of a majority of votes cast with respect to any such election, question or business presented to the stockholders unless the election, question or business is one which, by express provision of the Certificate of Incorporation, these Bylaws (including, without limitation, Article II of these Bylaws), the laws of the State of Delaware, the rules or regulations of any stock exchange applicable to the corporation or any regulation applicable to the corporation or its securities, a vote of a different number or voting by class or series is required, in which case, such express provision shall govern.

(d) For purposes of this Section 1.7, (i) a "majority of the votes cast" means that (1) the number of shares voted "for" a nominee for election to the Board of Directors by the stockholders generally entitled to vote or (2) "for" any other election, question or business, in each case, exceeds the votes cast "against" such nominee or such other election, question or business, respectively, and (ii) "votes cast" shall not include "abstentions" and "broker non-votes".

Section 1.8 Fixing Date for Determination of Stockholders of Record. In order that the corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, if any, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date: (a) in the case of a determination of stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, shall, unless otherwise required by applicable law, not be more than sixty (60) nor less than ten (10) days before the date of such meeting and, unless the Board of Directors determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for determining the stockholders entitled to vote at such meeting, the record date for determining the stockholders entitled to notice of such meeting shall also be the record date for determining the stockholders entitled to vote at such meeting; (b) in the case of a determination of the stockholders, if any, entitled to express consent to corporate action in writing without a meeting, shall not be more than ten (10) days from the date upon which the resolution fixing the record date is adopted by the Board of Directors; and (c) in the case of any other action, shall not be more than sixty (60) days prior to such other action. If no record date is fixed: (a) the record date for determining stockholders entitled to notice of and to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held; (b) the record date for determining the stockholders, if any, entitled to express consent to corporate action in writing without a meeting, when no prior action of the Board of Directors is required by applicable law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the corporation in accordance with applicable law, or, if prior action by the Board of Directors is required by applicable law, shall be at the close of business on

the day on which the Board of Directors adopts the resolution taking such prior action; and (c) the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the determination of stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for the stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for the determination of stockholders entitled to vote in accordance with the foregoing provisions of this Section 1.8 at the adjourned meeting.

Section 1.9 List of Stockholders Entitled to Vote. The corporation shall prepare, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting; provided, however, if the record date for determining the stockholders entitled to vote is less than ten (10) days before the meeting date, the list shall reflect the stockholders entitled to vote as of the tenth (10th) day before the meeting date, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting for a period of at least ten (10) days prior to the meeting (a) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of meeting, or (b) during ordinary business hours at the principal place of business of the corporation. The list of stockholders must also be open to examination at the meeting as required by applicable law. Except as otherwise provided by applicable law, the stock ledger shall be the only evidence as to who are the stockholders entitled to examine the list of stockholders required by this Section 1.9 or to vote in person or by proxy at any meeting of stockholders.

Section 1.10 Action By Consent in Lieu of Meeting. Except as otherwise permitted by or pursuant to the provisions of the Certificate of Incorporation, no action that is required or permitted to be taken by the stockholders of the corporation at any annual or special meeting of stockholders may be effected by consent of stockholders in lieu of a meeting of stockholders. When, as permitted by or pursuant to the provisions of the Certificate of Incorporation, action required or permitted to be taken at any annual or special meeting of stockholders is taken without a meeting, without prior notice and without a vote, a consent or consents, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the corporation having custody of the book in which minutes of proceedings of stockholders are recorded. Delivery made to the corporation’s registered office shall be by hand or by certified or registered mail, return receipt requested. When, as permitted by or pursuant to the provisions of the Certificate of Incorporation, action required or permitted to be taken at any annual or special meeting of stockholders is taken without a meeting, without prior notice and without a vote, prompt notice of the taking of the corporate action without a meeting by less than unanimous consent shall, to the extent required by applicable law, be given to those stockholders who have not consented and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for notice of such meeting had been the date that consents signed by a sufficient number of holders to take the action were delivered to the corporation.

Section 1.11 Inspectors of Election. The corporation may, and shall if required by applicable law, in advance of any meeting of stockholders, appoint one or more inspectors of election, who may be employees of the corporation, to act at the meeting or any adjournment thereof and to make a written report thereof. The corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. In the event that no inspector so appointed or designated is able to act at a meeting of stockholders, the individual presiding over the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath to execute faithfully the duties of inspector with strict impartiality and according to the best of his or her ability. The inspector or inspectors so appointed or designated shall (a) ascertain the number of shares of stock of the corporation outstanding and the voting power of each such share, (b) determine the shares of stock of the corporation represented at the meeting and the validity of proxies and ballots, (c) count all votes and ballots, (d) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors, and (e) certify their determination of the number of shares of stock of the corporation represented at the meeting and such inspectors' count of all votes and ballots. Such certification and report shall specify such other information as may be required by applicable law. In determining the validity and counting of proxies and ballots cast at any meeting of stockholders of the corporation, the inspectors may consider such information as is permitted by applicable law. No individual who is a candidate for an office at an election may serve as an inspector at such election.

Section 1.12 Conduct of Meetings. The date and time of the opening and the closing of the polls for each election, question or business upon which the stockholders will vote at a meeting shall be announced at the meeting by the individual presiding over the meeting. The Board of Directors may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the individual presiding over any meeting of stockholders shall have the right and authority to convene and to adjourn the meeting, to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such individual, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the individual presiding over the meeting of stockholders, may include, without limitation, the following: (a) the establishment of an agenda or order of business for the meeting; (b) rules and procedures for maintaining order at the meeting and the safety of those present; (c) limitations on attendance at or participation in the meeting to stockholders of record of the corporation, their duly authorized and constituted proxies or such other persons as the individual presiding over the meeting shall determine; (d) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (e) limitations on the time allotted to questions or comments by participants. The Board of Directors or, in addition to making any other determinations that may be appropriate to the conduct of the meeting, the individual presiding over any meeting of stockholders, in each case, shall have the power and duty to determine whether any election, question or business was or was not properly brought before the meeting and therefore shall be disregarded and not be considered at the meeting, and, if the Board of Directors or the individual presiding over the meeting, as the case may be, determines that such election, question or business was not properly brought before the meeting and shall be

disregarded and not be considered at the meeting, the individual presiding over the meeting shall declare to the meeting that such election, question or business was not properly brought before the meeting and shall be disregarded and not be considered at the meeting, and any such election, question or business shall not be transacted or considered at the meeting. Unless and to the extent determined by the Board of Directors or the individual presiding over the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

Section 1.13 Notice of Stockholder Business and Nominations.

(a) Annual Meetings.

(1) Nominations of one or more individuals for election to the Board of Directors (each, a "Nomination," and more than one, "Nominations") and the proposal of business other than Nominations to be considered by the stockholders ("Business") may be made at an annual meeting of stockholders only:

(A) pursuant to the corporation's notice of meeting (or any supplement thereto), provided, however, that reference in the corporation's notice of meeting to the election of directors or the election of members of the Board of Directors shall not include or be deemed to include Nominations;

(B) by or at the direction of the Board of Directors; or

(C) by any stockholder who was a stockholder of record of the corporation at the time the notice provided for in this Section 1.13 is delivered to the Secretary at the principal executive offices of the corporation, who is entitled to vote at the annual meeting of stockholders and who complies with the notice procedures set forth in this Section 1.13(a).

(2) For Nominations or Business to be properly brought before an annual meeting of stockholders by a stockholder pursuant to Section 1.13(a)(1)(C), the stockholder must have given timely notice thereof in writing to the Secretary and any proposed Business must constitute a proper subject for stockholder action under applicable law. To be timely, a stockholder's notice shall be delivered to the Secretary at the principal executive offices of the corporation not later than the close of business on the ninetieth (90th) day nor earlier than the close of business on the one-hundred twentieth (120th) day prior to the first (1st) anniversary of the preceding year's annual meeting of stockholders (provided, however, that in the event that the date of the annual meeting of stockholders is more than thirty (30) days before or more than seventy (70) days after such anniversary date, notice by the stockholder must be so delivered not earlier than the close of business on the one-hundred twentieth (120th) day prior to such annual meeting of stockholders and not later than the close of business on the later of the ninetieth (90th) day prior to such annual meeting of stockholders or the tenth (10th) day following the day on which public announcement of the date of such meeting is first made by the corporation). In no event shall the public announcement of an adjournment or postponement of an annual meeting of stockholders commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above. Such stockholder's notice shall set forth:

(A) as to each Nomination to be made by such stockholder:

(i) the name, age, business address and residence address of the individual subject to such Nomination (the "Stockholder Nominee");

(ii) all other information relating to the Stockholder Nominee that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case, pursuant to and in accordance with Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), without regard to the application of the Exchange Act to either the Nomination or the corporation;

(iii) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three (3) years, and any other material relationships, between or among the stockholder giving the notice or the beneficial owner, if any, on whose behalf the Nomination is made, and their respective affiliates and associates, or others acting in concert therewith, on the one hand, and the Stockholder Nominee, and his or her respective affiliates and associates, or others acting in concert therewith, on the other hand, including, without limitation, all information that would be required to be disclosed pursuant to Item 404 of Regulation S-K if such stockholder or such beneficial owner, or any affiliate or associate thereof or person acting in concert therewith, were the "registrant" for purposes of such item and the Stockholder Nominee were a director or executive officer of such registrant; and

(iv) the Stockholder Nominee's written consent to being named in the corporation's proxy statement as a nominee and to serving as a director of the corporation if elected;

(B) as to the Business that the stockholder proposes to bring before the annual meeting of stockholders, a brief description of the Business, the text of the proposed Business (including the text of any resolutions proposed for consideration and in the event that such Business includes a proposal to amend these Bylaws, the language of the proposed amendment), the reasons for conducting such Business at such meeting and any material interest in such Business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made; and

(C) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the Nomination or Business is made:

(i) the name and address of such stockholder, as they appear on the corporation's books, and of such beneficial owner;

(ii) the class or series and number of shares of the corporation which are owned beneficially and of record by such stockholder and such beneficial owner;

(iii) a representation that such stockholder (or a qualified representative of such stockholder) intends to appear in person or by proxy at the annual meeting of stockholders to propose such Nomination or Business;

(iv) a representation whether the stockholder or the beneficial owner, if any, or any of their respective affiliates and associates, or any other person acting in concert therewith, intends or is part of a group that intends:

(x) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the corporation's outstanding shares of stock required to approve or adopt the Business or elect the Stockholder Nominee; and/or

(y) otherwise to solicit proxies from stockholders of the corporation in support of such Business or Nomination;

(v) a description of any agreement, arrangement or understanding with respect to the Nomination or Business between or among the stockholder or the beneficial owner, if any, on the one hand, and any of their respective affiliates and associates, or any other person acting in concert therewith, on the other hand, including, without limitation, any agreements that would be required to be disclosed pursuant to Item 5 or Item 6 of Schedule 13D under the Exchange Act (regardless of whether the requirement to file a Schedule 13D is applicable);

(vi) a description of any agreement, arrangement or understanding (including, without limitation, with respect to any profit interests, options, hedging transactions, borrowed or loaned shares, or other derivative positions) that has been entered into as of the date of the notice by, or on behalf of, the stockholder or the beneficial owner, if any, or any of their respective affiliates and associates, or any other person acting in concert therewith, the effect or intent of which is to mitigate loss, manage risk or benefit from changes in the share price of any class or series of the corporation's capital stock, or to maintain, increase or decrease the voting power of the stockholder or the beneficial owner, if any, or any of their respective affiliates and associates, or any other person acting in concert therewith, with respect to shares of the corporation (any such agreement, arrangement or understanding, a "Derivative Instrument");

(vii) a description of the terms of, and the number of shares subject to, any short interest in any securities of the corporation in which the stockholder or the beneficial owner, if any, or any of their respective affiliates and associates, or any other person acting in concert therewith, has an interest (for purposes of these Bylaws, a person shall be deemed to have a short interest in a security if the person or any of its affiliates and associates, directly or indirectly, through any agreement, arrangement, understanding, relationship or otherwise, has the opportunity to profit or share in any profit derived from any decrease in the value of the subject security);

(viii) a description of any proportionate interest in the shares of the corporation or any Derivative Instrument held, directly or indirectly, by a general or limited partnership or limited liability company or similar entity in which the stockholder or the beneficial owner, if any, or any of their respective affiliates and associates, or any other person acting in concert therewith, is a general partner or, directly or indirectly, beneficially owns an interest in a general partner, of such general or limited partnership or similar entity or is the manager or managing member or, directly or indirectly, beneficially owns an interest in the manager or managing member of such limited liability company or similar entity;

(ix) a description of the terms of any performance-related fees (other than asset-based fees) that the stockholder or the beneficial owner, if any, or any of their respective affiliates and associates, or any other person acting in concert therewith, is entitled to based on any increase or decrease in the value of shares of the corporation or any Derivative Instruments; and

(x) a description of (I) any significant equity interest of the stockholder or the beneficial owner, if any, or any of their respective affiliates and associates, or any other person acting in concert therewith, in a competitor of the corporation, and (II) any direct or indirect pecuniary interest of the stockholder or the beneficial owner, if any, or any of their respective affiliates and associates, or any other person acting in concert therewith, in any material contract with a competitor of the corporation; provided, however, that if the Business is otherwise subject to Rule 14a-8 (or any successor thereto) promulgated under the Exchange Act ("Rule 14a-8"), the foregoing notice requirements shall be deemed satisfied by a stockholder if the stockholder has notified the corporation of such stockholder's intention to present such Business at an annual meeting of stockholders of the corporation in compliance with Rule 14a-8, and such Business has been included in a proxy statement that has been prepared by the corporation to solicit proxies for such annual meeting of stockholders.

(3) Notwithstanding anything in the second sentence of Section 1.13(a)(2) to the contrary, in the event that the number of directors to be elected to the Board of Directors at an annual meeting is increased and there is no public announcement naming the nominees for election to the additional directorships at least one-hundred (100) days prior to the first (1st) anniversary of the preceding year's annual meeting, a stockholder's notice required by Section 1.13(a)(2) shall also be considered timely, but only with respect to nominees for election to the new directorships, if it shall be delivered to the Secretary at the principal executive offices of the corporation not later than the close of business on the tenth (10th) day following the day on which such public announcement is first made by the corporation.

(b) Special Meetings. Only such Business shall be conducted at a special meeting of stockholders of the corporation as shall have been brought before such meeting pursuant to the corporation's notice of meeting (or any supplement thereto); provided, however, that reference therein to the election of directors or the election of members of the Board of Directors shall not include or be deemed to include Nominations. Nominations may be made at a special meeting of stockholders at which directors are to be elected:

(1) pursuant to the corporation's notice of meeting (or any supplement thereto) as aforesaid; or

(2) in the event a special meeting of stockholders is called for the purpose of electing one or more directors to the Board of Directors, by any stockholder of the corporation who is entitled to vote at such special meeting with respect to the election of directors, who complies with the notice procedures set forth in this Section 1.13(b), and who is a stockholder of record at the time such notice is delivered to the Secretary as provided for in this Section 1.13.

In the event that a special meeting of stockholders of the corporation is called for the purpose of electing one or more directors to the Board of Directors, any such stockholder entitled to vote in such election of directors may make a Nomination or Nominations (as the case may be) of one or more individuals (as the case may be) for election to such position(s) specified in the corporation's notice of meeting, if the stockholder's notice as required by Section 1.13(a)(2) shall be delivered to the Secretary at the principal executive offices of the corporation not earlier than the close of business on the one-hundred twentieth (120th) day prior to such special meeting and not later than the close of business on the later of the ninetieth (90th) day prior to such special meeting or the (10th) tenth day following the day on which public announcement is first made of the date of such special meeting and of the nominees proposed by the Board of Directors to be elected at such special meeting. In no event shall the public announcement of an adjournment or postponement of a special meeting of stockholders of the corporation commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

(c) Stockholder Nominee.

(1) To be eligible to be a Stockholder Nominee pursuant to this Section 1.13 at any annual or special meeting of stockholders, the Stockholder Nominee must complete and deliver (within the time period specified in this Section 1.13 for delivery of a stockholder's notice), to the Secretary at the principal executive offices of the corporation, a written questionnaire providing information with respect to the background, experience and qualifications of such Stockholder Nominee, together with a written representation and agreement of such Stockholder Nominee (the questionnaire, representation and agreement to be in the form provided by the Secretary upon written request) that such Stockholder Nominee:

(A) is not and will not become a party to, and is not and will not be bound by: (i) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person as to how such Stockholder Nominee, if elected as a director of the corporation, will act or vote on any issue or question (a "Voting Commitment") that has not be disclosed to the corporation, or (ii) any Voting Commitment or other agreement, arrangement or understanding or fiduciary capacity that could limit or interfere with such Stockholder Nominee's ability to comply, if elected as a director of the corporation, with such Stockholder Nominee's fiduciary duties under applicable law;

(B) is not and will not become a party to any agreement, arrangement or understanding with any person other than the corporation with respect to any direct or indirect compensation, reimbursement, indemnification or advancements in connection with any service, action or omission in his or her capacity as a director of the corporation that has not been disclosed to the corporation;

(C) is not and will not become a party to any Derivative Instrument, and does not and will not acquire any short interest in any securities of the corporation, in each case, that has not been disclosed to the corporation; and

(D) will be in compliance, if elected as a director of the corporation, and will comply with, applicable law and all applicable publicly disclosed corporate governance, business conduct, ethics, conflict of interest, confidentiality and stock ownership and trading policies and guidelines of the corporation (and that, to evidence such Stockholder Nominee's undertaking and commitment to so comply, such Stockholder Nominee will execute and deliver to the corporation all such agreements and instruments that the corporation requires of each of its directors).

(2) At the written request of the corporation, the Stockholder Nominee shall promptly, but in any event within five (5) business days of such request, submit any additional completed and signed questionnaires required of the corporation's directors and provide to the corporation such other information as the corporation may reasonably request in order for the corporation to comply with its disclosure obligations under applicable law or, as of the date on which the stockholder's notice required by Section 1.13(a)(2) was delivered or a date subsequent thereto, determine whether such notice satisfies the requirements of this Section 1.13 or ascertain whether the Stockholder Nominee is eligible for nomination pursuant to this Section 1.13. The corporation may request such additional information as necessary to permit the Board of Directors to

determine if the Stockholder Nominee is qualified and suitable to serve as a director of the corporation, eligible to serve as an "independent director" or "audit committee financial expert" of the corporation under applicable law, the rules or regulations of any stock exchange applicable to the corporation, any regulation applicable to the corporation or its securities, or any publicly disclosed corporate governance guideline or committee charter of the corporation, and such other information as could be material to a reasonable stockholder's understanding of the independence, or lack thereof, of the Stockholder Nominee. If the Stockholder Nominee fails to furnish such requested information, such Nomination shall not be considered made in compliance with this Section 1.13 and shall be disregarded and not be considered at the meeting of stockholders before which such Nomination is proposed to be brought, notwithstanding that proxies in respect of such vote or such Stockholder Nominee may have been received by the corporation.

(3) Only individuals who are nominated in accordance with the procedures set forth in this Section 1.13 shall be eligible for election as directors of the corporation at a meeting of stockholders, and only such Business shall be conducted at an annual meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section 1.13.

(4) Except as otherwise provided by applicable law, the Certificate of Incorporation, or this Section 1.13, the Board of Directors or the individual presiding over the meeting of stockholders, in each case, shall have the power and duty to determine whether a Nomination or any Business proposed to be brought before the meeting of stockholders pursuant to this Section 1.13 was or was not made, proposed or brought, as the case may be, in accordance with the procedures set forth in this Section 1.13 and therefore shall be disregarded and not be considered or transacted at the meeting. Notwithstanding the foregoing provisions of this Section 1.13, if the stockholder (or a qualified representative of such stockholder) does not appear at the meeting of stockholders of the corporation to present a Nomination or Business pursuant to this Section 1.13, such Nomination or Business shall not be considered made in accordance with this Section 1.13 and shall be disregarded and not be considered or transacted at the meeting of stockholders before which such Nomination or Business is proposed to be brought, notwithstanding that proxies in respect of such vote or such Stockholder Nominee or Business may have been received by the corporation.

(5) For purposes of this Section 1.13, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press, or comparable national news service or in a document publicly filed by the corporation with the Securities and Exchange Commission pursuant to Section 13, 14, or 15(d) of the Exchange Act.

(6) Notwithstanding the foregoing provisions of this Section 1.13, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Section 1.13.

(7) Nothing in this Section 1.13 shall be deemed to affect any rights:

(A) of stockholders to request inclusion of proposals in the corporation's proxy materials with respect to a meeting of stockholders pursuant to Rule 14a-8 (to the extent the corporation or such proposals are subject to Rule 14a-8); or

(B) of the holders of (i) any series of Preferred Stock then outstanding to nominate one or more Preferred Directors or (ii) any other class or series of stock of the corporation to nominate directors or to propose other business, in each case, with respect to which such holders are entitled, by or pursuant to the provisions of the Certificate of Incorporation, to vote or consent separately as a single class or series.

ARTICLE II

Board of Directors

Section 2.1 Number; Qualifications. Subject to applicable law and the rights, if any, of the holders of any series of Preferred Stock outstanding to elect one or more Preferred Directors, the Board of Directors shall consist of not less than three (3) nor more than twelve (12) directors, the exact number thereof to be determined from time to time by resolution of the Board of Directors. Directors need not be stockholders.

Section 2.2 Election of Directors. The Board of Directors (other than any Preferred Directors) shall be divided into three (3) classes, as nearly equal in number as possible, designated as Class I, Class II and Class III. The Board of Directors is hereby expressly authorized to assign members of the Board of Directors (other than any Preferred Directors) already in office to such classes at the time the classification becomes effective. The Class I directors shall initially serve until the 2021 annual meeting of stockholders; the Class II directors shall initially serve until the 2022 annual meeting of stockholders; and the Class III directors shall initially serve until the 2023 annual meeting stockholders. Commencing with the annual meeting of stockholders in 2021, directors of each class the term of which shall then expire shall be elected to hold office for a three-year term or until the election and qualification of their respective successors in office, subject to their earlier death, resignation, disqualification or removal. In case of any increase or decrease, from time to time, in the number of directors (other than any Preferred Directors), the number of directors in each class shall be apportioned by resolution of the Board of Directors as nearly equal as possible.

Section 2.3 Resignation; Vacancies. Any director may resign at any time upon notice to the corporation. Subject to the rights, if any, of the holders of any series of Preferred Stock then outstanding, newly created directorships resulting from an increase in the authorized number of directors or any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other cause shall be filled solely and exclusively by a majority of the directors then in office, although less than a quorum, or by the sole remaining director. Any director so elected shall hold office until the expiration of the term of office of the director whom he or she has replaced and until his or her successor shall be elected and qualified, subject to such director's earlier death, resignation, disqualification or removal. No decrease in the number of directors shall shorten the term of any incumbent director.

Section 2.4 Meetings.

(a) A regular meeting of the Board of Directors shall be held immediately following the annual meeting of stockholders at the place of such annual meeting of stockholders or at such other place within or without the State of Delaware as the Board of Directors may determine. Any other regular meetings of the Board of Directors may be held at such places within or without the State of Delaware and at such times as the Board of Directors may from time to time determine.

(b) Special meetings of the Board of Directors may be held at any time or place within or without the State of Delaware whenever called by the Chairperson of the Board of Directors, the President or a majority of the directors then in office. Notice of a special meeting of the Board of Directors shall be given by the individual or individuals calling the meeting (1) by courier service or electronic transmission at least twenty-four (24) hours before the special meeting, or (2) by U.S. mail, postage prepaid at least four (4) days before the special meeting.

Section 2.5 Telephonic Meetings Permitted. Members of the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting thereof by means of conference telephone or other communications equipment by means of which all individuals participating in the meeting can hear each other, and participation in a meeting pursuant to this Bylaw shall constitute presence in person at such meeting.

Section 2.6 Quorum; Vote Required for Action. At all meetings of the Board of Directors the directors entitled to cast a majority of the votes of the whole Board of Directors shall constitute a quorum for the transaction of business. Except in cases in which the Certificate of Incorporation, these Bylaws or applicable law otherwise provides, a majority of the votes entitled to be cast by the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 2.7 Organization. Meetings of the Board of Directors shall be presided over by the Chairperson of the Board of Directors, if any, or in his or her absence by the Vice Chairperson of the Board of Directors, if any, or in their absence by a chairperson chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his or her absence the chairperson of the meeting may appoint any individual to act as secretary of the meeting.

Section 2.8 Compensation. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, the Board of Directors shall have the authority to fix the compensation of directors.

Section 2.9 Action by Unanimous Consent of Directors. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof, may be taken without a meeting if all members of the Board of Directors or such committee, as the case may be, consent thereto in writing or by electronic transmission. After an action is taken, the consent or consents relating thereto shall be filed with the minutes of the proceedings of the Board of Directors, or the committee thereof, in the same paper or electronic form as the minutes are maintained.

ARTICLE III

Committees

Section 3.1 Committees. The Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of the committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he, she or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in place of any such absent or disqualified member. Any such committee, to the extent permitted by applicable law and to the extent provided in the resolution of the Board of Directors or these Bylaws, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it.

Section 3.2 Committee Rules. Unless the Board of Directors otherwise provides, each committee designated by the Board of Directors may make, alter and repeal rules for the conduct of its business. In the absence of such rules each committee shall conduct its business in the same manner as the Board of Directors conducts its business pursuant to Article II of these Bylaws.

ARTICLE IV

Officers

Section 4.1 Fundamental, Executive and Appointed Officers; Election; Term of Office; Qualifications.

(a) The Board of Directors shall elect a President, a Secretary, and a Treasurer and may, if it so determines, choose a Chairperson of the Board of Directors, a Vice Chairperson of the Board of Directors, a Chief Executive Officer and a Chief Financial Officer and one or more Vice Presidents (such officers of the corporation, collectively, the "fundamental officers" and each, an "fundamental officer" and such fundamental officers determined by the Board of Directors to be executive officers, the "executive officers" and each, an "executive officer"). Each of the fundamental officers shall hold office until the regular meeting of the Board of Directors held immediately following the annual meeting of stockholders next succeeding his or her election, and until his or her successor is elected and qualified or until his or her earlier death, resignation or removal.

(b) The Board of Directors or the President may also elect one or more other officers as the Board of Directors or the President, as the case may be, shall from time to time deem necessary or desirable (such officers of the corporation, collectively, the "appointed officers" and each, an "appointed officer"); provided that any such officer elected by the President shall be reported to the Board of Directors. Each of the appointed officers shall hold office until his or her successor is elected and qualified or until his or her earlier death, resignation or removal.

(c) Any number of offices may be held by the same individual. Any officer of the corporation other than the Chairperson of the Board of Directors or the Vice Chairperson of the Board of Directors, if any, may be, but is not required to be, a director.

(d) As used in these Bylaws, "officer of the corporation" shall refer to the fundamental officers and/or the appointed officers, as the context may require.

Section 4.2 Resignation; Removal.

(a) Any officer of the corporation may resign at any time upon written notice to the corporation.

(b) The Board of Directors may remove any fundamental officer with or without cause at any time, but such removal shall be without prejudice to the contractual rights of such fundamental officer, if any, with the corporation.

(c) The Board of Directors or the President may remove any appointed officer with or without cause at any time, but such removal shall be without prejudice to the contractual rights of such appointed officer, if any, with the corporation.

Section 4.3 Vacancies.

(a) Any vacancy occurring in any fundamental office of the corporation by death, resignation, removal or otherwise may be filled for the unexpired portion of the term by the Board of Directors at any regular or special meeting.

(b) Any vacancy occurring in any appointed office of the corporation by death, resignation, removal or otherwise may be filled for the unexpired portion of the term by the Board of Directors at any regular or special meeting or by the President.

Section 4.4 Powers and Duties of Officers.

(a) The Chairperson of the Board of Directors shall, when present, preside over all meetings of the stockholders and of the Board of Directors and shall have such other powers and perform all such duties and functions as may be prescribed by the Board of Directors or these Bylaws and, to the extent not so provided, as generally pertain to such office, subject to the control of the Board of Directors. The Chairperson of the Board of Directors may from time to time, with the approval of a majority of the Board of Directors, delegate to the Vice Chairperson of the Board of Directors, if any, or the President, the duties of presiding over meetings of the stockholders and of the Board of Directors.

(b) In the absence or the incapacity of the Chairperson of the Board of Directors, the Vice Chairperson of the Board of Directors shall preside over all meetings of the stockholders and of the Board of Directors, but shall not have any other powers or duties and functions of the Chairperson of the Board of Directors with respect to supervision or control of the business or other officers of the corporation, except insofar as such powers or duties and functions may be expressly prescribed by the Chairperson of the Board of Directors, the Board of Directors or these Bylaws.

(c) In the absence or incapacity of the Chairperson of the Board of Directors and subject to the powers or duties and functions of the Vice Chairperson of the Board of Directors, the President shall perform all the duties and functions and shall have all the powers of the Chairperson of the Board of Directors. The President shall have such other powers and perform such other duties and functions as may be prescribed by the Board of Directors or these Bylaws and, to the extent not so provided, as generally pertain to such office, subject to the control of the Board of Directors.

(d) The Vice Presidents shall have such powers and perform such duties and functions as from time to time may be prescribed for them by the Board of Directors or these Bylaws and, to the extent not so provided, as generally pertain to such offices, subject to the control of the Board of Directors.

(e) The Secretary shall (1) record or cause to be recorded, and shall keep or cause to be kept, at the principal executive office and such other place as the Board of Directors may order, a book of minutes of actions taken at all meetings of the stockholders and the Board of Directors, with the time and place of holding, whether regular or special, and, if special, how authorized, the notice thereof given, the names of those present at meetings of the Board of Directors, the number of shares present or represented at meetings of the stockholders, and the proceedings thereof, (2) keep, or cause to be kept, at the principal executive office or at the office of the corporation's transfer agent, a share register, or a duplicate share register, showing the names of the stockholders and their addresses, the number and classes or series of shares held by each, the number and date of certificates (if any) issued for the same, and the number and date of cancellation of every certificate (if any) surrendered for cancellation, (3) give, or cause to be given, notice of all the meetings of the stockholders and of the Board of Directors required by these Bylaws or by applicable law, (4) keep the seal of the corporation in safe custody, and (5) have such other powers and perform such other duties and functions as may be prescribed by the Board of Directors or these Bylaws and, to the extent not so provided, as generally pertain to such office, subject to the control of the Board of Directors.

(f) The Treasurer shall (1) keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, surplus, and shares, (2) deposit, or cause to be deposited, all monies and other valuables in the name and to the credit of the corporation with such depositories as may be designated by the Board of Directors, (3) disburse the funds of the corporation as may be ordered by the Board of Directors, (4) render to the Chairperson of the Board of Directors, the President, and the Board of Directors, whenever they request it, and (5) have such other powers and perform such other duties and functions as may be prescribed by the Board of Directors or these Bylaws and, to the extent not so provided, as generally pertain to such office, subject to the control of the Board of Directors.

(g) Any other officers of the corporation shall have such powers and perform such duties and functions in the management of the corporation as may be prescribed by the Board of Directors or these Bylaws and, to the extent not so provided, as generally pertain to their respective offices, subject to the control of the Board of Directors.

(h) The Board of Directors may require any officer, agent or employee to give security for the faithful performance of his or her duties.

Section 4.5 Appointing Attorneys and Agents; Voting Securities of Other Entities. Unless otherwise provided by resolution adopted by the Board of Directors or by these Bylaws, the the President, any Vice President or any other officer of the corporation designated by the Board of Directors may from time to time appoint an attorney or attorneys or agent or agents of the corporation, for, in the name and on behalf of the corporation, to cast the votes which the corporation may be entitled to cast as the holder of stock or other securities in any other corporation or other entity, any of whose stock or other securities may be held by the corporation, at meetings of the holders of the stock or other securities of such other corporation or other entity, or to consent in writing, for, in the name of, and on behalf of the corporation as such holder, to any action by such other corporation or other entity, and may instruct the person or persons so appointed as to the manner of casting such votes or giving such consents, and may execute or cause to be executed for, in the name and on behalf of the corporation and under its corporate seal or otherwise, all such written proxies or other instruments as he or she may deem necessary or proper.

ARTICLE V

Stock

Section 5.1 Certificates. Every holder of stock represented by certificates shall be entitled to have a certificate signed by, or in the name of, the corporation by any two (2) authorized officers of the corporation representing the number of shares registered in certificate form. Each of the Chief Executive Officer, the President, any Vice President, the Secretary, any Assistant Secretary, the Treasurer or any Assistant Treasurer, in addition to any other officers of the corporation authorized by the Board of Directors or these Bylaws, is hereby authorized to sign certificates by, or in the name of, the corporation. Any or all of the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if such person were such officer, transfer agent, or registrar at the date of issue. The corporation shall not have the power to issue a certificate in bearer form.

Section 5.2 Lost, Stolen or Destroyed Stock Certificates; Issuance of New Certificates or Uncertificated Shares. The corporation may issue a new certificate of stock or uncertificated shares in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the corporation may require the owner of the lost, stolen or destroyed certificate, or such owner's legal representative, to give the corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate or uncertificated shares.

Section 5.3 Restrictions. If the corporation issues any shares that are not registered under the Securities Act of 1933, as amended (the "Securities Act"), and registered or qualified under the applicable state securities laws, such shares may not be transferred without the consent of the corporation and the certificates evidencing such shares or the notice required by Delaware law, as the case may be, shall contain the following legend:

THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY SET FORTH IN THE CORPORATION'S BYLAWS (AS THE SAME MAY BE AMENDED OR AMENDED AND RESTATED) AND MAY NOT BE TRANSFERRED EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM, WITHOUT THE CONSENT OF THE CORPORATION.

ARTICLE VI

Indemnification

Section 6.1 Right to Indemnification. The corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law, any individual (a "Covered Person") who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "proceeding"), by reason of the fact that he or she, or an individual for whom he or she is the legal representative, is or was a director or officer of the corporation or a director level or above employee of the corporation or any of its consolidated subsidiaries (as shown in the corporation's or the applicable covered subsidiary's, as the case may be, human resources records) or, while a director or officer of the corporation or a director level or above employee of the corporation or any of its consolidated subsidiaries (as shown in the corporation's or the applicable covered subsidiary's, as the case may be, human resources records), is or was serving at the request of the corporation or any of its consolidated subsidiaries as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, its participants or beneficiaries, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such Covered Person. Notwithstanding the preceding sentence, except as otherwise provided in Section 6.3, the corporation shall be required to indemnify a Covered Person in connection with a proceeding (or part thereof) commenced by such Covered Person only if the commencement of such proceeding (or part thereof) by the Covered Person was authorized in the specific case by the Board of Directors.

Section 6.2 Prepayment of Expenses. The corporation shall to the fullest extent not prohibited by applicable law, pay the expenses (including attorneys' fees) incurred by a Covered Person in defending any proceeding in advance of its final disposition; provided, however, that such payment of expenses in advance of the final disposition of the proceeding shall be made only upon receipt of an undertaking by the Covered Person to repay all amounts advanced if it should be ultimately determined that the Covered Person is not entitled to be indemnified under this Article VI or otherwise.

Section 6.3 Claims. If a claim for indemnification (following the final disposition of such action, suit or proceeding) or advancement of expenses under this Article VI is not paid in full within thirty (30) days after a written claim therefor by the Covered Person has been received by the corporation, the Covered Person may file suit to recover the unpaid amount of such claim

and, if successful in whole or in part, shall be entitled to be paid the expense (including attorneys' fees) of prosecuting such claim. In any such action the corporation shall have the burden of proving that the Covered Person is not entitled to the requested indemnification or advancement of expenses under applicable law.

Section 6.4 Nonexclusivity of Rights. The rights conferred on any Covered Person by this Article VI shall not be exclusive of any other rights which such Covered Person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, these Bylaws, agreement, vote of stockholders or disinterested directors or otherwise.

Section 6.5 Other Sources. The corporation's obligation, if any, to indemnify or to advance expenses to any Covered Person who was or is serving at its request or the request of any of its consolidated subsidiaries as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, enterprise or nonprofit entity shall be reduced by any amount such Covered Person may collect as indemnification or advancement of expenses from such other corporation, partnership, joint venture, trust, enterprise or non-profit entity.

Section 6.6 Amendment or Repeal. Any amendment, repeal or modification of the foregoing provisions of this Article VI shall not adversely affect any right or protection hereunder of any Covered Person in respect of any act or omission occurring prior to the time of such amendment, repeal or modification.

Section 6.7 Other Indemnification and Prepayment of Expenses. This Article VI shall not limit the right of the corporation, to the extent and in the manner permitted by applicable law, to indemnify and to advance expenses to persons other than Covered Persons when and as authorized by appropriate corporate action.

Section 6.8 Certain Terms. For purposes of this Article VI: (a) references to "the corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under this Article VI with respect to the resulting or surviving corporation as such person would have with respect to such constituent corporation as if its separate existence had continued; (b) references to "other enterprise" shall include employee benefit plans; (c) reference to "fines" shall include any excise taxes assessed on a person with respect to any employee benefit plan; and (d) references to "serving at the request of the corporation or any of its consolidated subsidiaries" shall include any service as a director, officer, employee or agent of the corporation or any of its controlled subsidiaries which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries.

ARTICLE VII

Miscellaneous

Section 7.1 Fiscal Year. The fiscal year of the corporation shall be determined by resolution of the Board of Directors.

Section 7.2 Seal. The corporate seal shall have the name of the corporation inscribed thereon and shall be in such form as may be approved from time to time by the Board of Directors.

Section 7.3 Manner of Notice. Except as otherwise provided by these Bylaws or permitted by applicable law, notices to directors and stockholders shall be in writing and delivered personally or mailed to the directors or stockholders at their addresses appearing on the books of the corporation. Notice to directors may also be given by telecopier, telephone or other means of electronic transmission.

Section 7.4 Checks, Drafts, Etc.; Loans; Contracts.

(a) All checks, drafts, or other orders for payment of money, notes, or other evidences of indebtedness, issued in the name of or payable to the corporation, shall be signed or endorsed by such person or persons and in such manner as, from time to time, shall be determined by resolution of the Board of Directors.

(b) No loans shall be contracted on behalf of the corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution or resolutions of the Board of Directors; such authority may be general or confined to specific instances.

(c) Except as otherwise provided in these Bylaws, the Board of Directors may authorize any officer or officers of the corporation, agent or agents, to enter into any contract or execute any instrument, for, in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances; and, unless so authorized by the Board of Directors, no officer of the corporation, agent, or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose of for any amount. Subject to the provisions of applicable law, any note, mortgage, evidence of indebtedness, contract, conveyance, or other instrument in writing and any assignment or endorsements thereof executed or entered into between the corporation and any other person, when signed by the Chairperson of the Board of Directors, the President, or any Vice President, and the Secretary, any Assistant Secretary, the Treasurer, or any Assistant Treasurer shall, to the fullest extent permitted by applicable law, be valid and binding on the corporation in the absence of actual knowledge on the part of the other person that the signing officers had not authority to execute the same.

Section 7.5 Waiver of Notice of Meetings of Stockholders, Directors and Committees. Any waiver of notice, given by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at nor the purpose of any regular or special meeting of the stockholders, directors, or members of a committee of directors need be specified in a waiver of notice.

Section 7.6 Form of Records. Any records administered by or on behalf of the corporation in the regular course of its business, including its stock ledger, books of account, and minute books, may be kept on, or by means of, or be in the form of, any information storage device, method, or one or more electronic networks or databases (including one or more distributed electronic networks or databases; provided that the records so kept can be converted into clearly legible paper form within a reasonable time, and, with respect to the stock ledger, that the records so kept comply with applicable law.

Section 7.7 Amendment of Bylaws. These Bylaws may be altered, amended or repealed, and new bylaws made, by the Board of Directors, but the stockholders may make additional bylaws and may alter and repeal any bylaws whether adopted by them or otherwise. In addition to any affirmative vote required by the Certificate of Incorporation, any bylaw that is to be made, altered, amended or repealed by the stockholders of the corporation shall receive the affirmative vote of the holders of at least sixty-six and two-thirds percent (66⅔%) in voting power of the then outstanding shares of stock of the corporation entitled to vote, voting together as a single class.

Section 7.8 Forum for Adjudication of Disputes. Unless the corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for (a) any derivative action or proceeding brought on behalf of the corporation, (b) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or employee of the corporation to the corporation or the corporation's stockholders, (c) any civil action to interpret, apply or enforce any provision of the General Corporation Law of the State of Delaware, (d) any civil action to interpret, apply, enforce or determine the validity of the provisions of the Certificate of Incorporation or these Bylaws, or (e) any action asserting a claim governed by the internal affairs doctrine; provided, however, in the event that the Court of Chancery of the State of Delaware lacks jurisdiction over such action, the sole and exclusive forum for such action shall be another state or federal court located within the State of Delaware, in all cases, subject to such court having personal jurisdiction over the indispensable parties named as defendants. Failure to enforce the foregoing provisions of this Section 7.8 would cause the corporation irreparable harm and the corporation shall, to the fullest extent permitted by applicable law, be entitled to equitable relief, including injunctive relief and specific performance, to enforce the foregoing provisions. Any person purchasing or otherwise acquiring any interest in shares of stock of the corporation shall be deemed to have notice of and consented to the provisions of this Section 7.8. This Section 7.8 shall not apply to any action asserting claims arising under the Exchange Act or the Securities Act.

Adopted Effective As of August 20, 2020.

Exhibit 10.1

TRANSITION SERVICES AGREEMENT

by and between

SMITH & WESSON BRANDS, INC.

and

AMERICAN OUTDOOR BRANDS, INC.

Dated as of August 21, 2020

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TRANSITION SERVICES AGREEMENT

THIS TRANSITION SERVICES AGREEMENT (this "Agreement"), is entered into as of August 21, 2020, by and between Smith & Wesson Brands, Inc., a Nevada corporation ("SWBI"), and American Outdoor Brands, Inc., a Delaware corporation ("AOUT").

RECITALS

WHEREAS, SWBI through its direct and indirect subsidiaries, owns the Firearm Business and the Outdoor Products and Accessories Business;

WHEREAS, SWBI and AOUT have entered into a Separation and Distribution Agreement, dated as of the date hereof (the "Separation and Distribution Agreement"), pursuant to which SWBI will be separated into two independent publicly traded companies: (a) SWBI, which, following the consummation of the transactions contemplated by the Separation and Distribution Agreement, will own and conduct the Firearm Business, and (b) AOUT, which, following the consummation of the transactions contemplated by the Separation and Distribution Agreement, will own and conduct the Outdoor Products and Accessories Business, which separation will be effected via the distribution by SWBI of all of the issued and outstanding shares of common stock of AOUT to the holders of SWBI common stock (the "Distribution");

WHEREAS, pursuant to the Separation and Distribution Agreement and in connection with the transactions contemplated thereby, SWBI and AOUT have agreed to enter into this Agreement, pursuant to which each party will provide, or cause its Affiliates to provide (in such capacity, as "Provider"), the other party (in such capacity, as "Recipient") with certain services, in each case on a transitional basis and subject to the terms and conditions set forth herein; and

NOW, THEREFORE, in consideration of the mutual agreements and covenants hereinafter set forth, AOUT and SWBI hereby agree as follows:

ARTICLE 1
DEFINITIONS

Section 1.1 Definitions. As used in this Agreement, the following terms have the following meanings:

"Affiliate" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with, such other Person. For the purposes of this definition, "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise, and the terms "controlling" and "controlled" have meanings correlative to the foregoing. Notwithstanding any provision of this Agreement to the contrary (except where the relevant provision states explicitly to the contrary), no member of the SWBI Group, on the one hand, and no member of the AOUT Group, on the other hand, shall be deemed to be an Affiliate of the other.

"Agreement" has the meaning set forth in the preamble to this Agreement.

"AOUT" has the meaning set forth in the preamble to this Agreement.

"AOUT Group" means AOUT and its subsidiaries as set forth in the Separation and Distribution Agreement, including all predecessors and successors to such Persons.

"AOUT Indemnified Parties" has the meaning set forth in Section 6.2.

"Applicable Law" means, with respect to any Person, any federal, state, local, or foreign law (statutory, common, or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling, directive, guidance, instruction, direction, permission, waiver, notice, condition, limitation, restriction or prohibition, or other similar requirement enacted, adopted, promulgated, imposed, issued, or applied by a Governmental Authority that is binding upon or applicable to such Person, its properties or assets, or its business or operations.

"Breaching Party" has the meaning set forth in Section 4.2.

"Business Day" means any day, other than Saturday, Sunday, or other day on which commercial banks in New York, New York are authorized or required by Applicable Law to close.

"Confidential Information" has the meaning set forth in Section 5.1(a).

"Disclosing Party" has the meaning set forth in Section 5.1(a).

"Distribution" has the meaning set forth in the recitals to this Agreement.

"Employee Expenses" has the meaning set forth in Section 3.1.

"End Date" has the meaning set forth in Section 2.1(e).

"Firearm Business" means the business, operations, products, services, and activities of SWBI's firearm business.

"Force Majeure Events" has the meaning set forth in Section 4.5.

"Governmental Authority" means any multinational, foreign, federal, state, local, or other governmental, statutory, or administrative authority, regulatory body, or commission or any court, tribunal, or judicial or arbitral authority which has any jurisdiction or control over either party (or any of their Affiliates).

"Liabilities" means any and all claims, debts, liabilities, damages, and/or obligations of any kind, character, or description, whether absolute or contingent, matured or not matured, liquidated or unliquidated, accrued or unaccrued, known or unknown, whenever arising, including all costs and expenses (including attorneys' fees and expenses and associated investigation costs) relating thereto, and including those claims, debts, liabilities, damages, and/or obligations arising under this Agreement, any Applicable Law, any action or threatened action, any order or consent decree of any Governmental Authority, or any award of any arbitrator of any kind, and those arising under any agreement, commitment, or undertaking, including in connection with the enforcement of rights hereunder or thereunder

"Non-Breaching Party" has the meaning set forth in Section 4.2.

"Out-of-Pocket Costs" has the meaning set forth in Section 3.2(a).

"Outdoor Products and Accessories Business" means the business, operations, products, services, and activities of SWBI's outdoor products and accessories business, which will be transferred from SWBI to AOUT in connection with the Distribution.

"Permitted Purpose" has the meaning set forth in Section 5.1(a).

"Person" means an individual, corporation, partnership, limited liability company, association, trust, or other entity or organization, including a Governmental Authority.

"Provider" has the meaning set forth in the recitals to this Agreement.

"Receiving Party" has the meaning set forth in Section 5.1(a).

"Recipient" has the meaning set forth in the recitals to this Agreement.

"Representatives" has the meaning set forth in Section 5.1(a).

"Separation and Distribution Agreement" has the meaning set forth in the recitals to this Agreement.

"Service Schedules" has the meaning set forth in Section 2.1(a).

"Services" has the meaning set forth in Section 2.1(a).

"SWBI" has the meaning set forth in the preamble to this Agreement.

"SWBI Group" means SWBI and its subsidiaries as set forth in the Separation and Distribution Agreement, including all predecessors and successors to such Persons.

"SWBI Indemnified Parties" has the meaning set forth in Section 6.3.

ARTICLE 2
SERVICES

Section 2.1 Provision of Services.

(a) Commencing on the Distribution, Provider agrees to provide the services (the "Services") set forth in the schedules attached hereto (such schedules may be amended or supplemented pursuant to the terms of this Agreement, collectively the "Service Schedules") to Recipient, for the respective periods and on the other terms and conditions set forth in this Agreement and the Service Schedules.

(b) Notwithstanding the contents of the Service Schedules, Provider agrees to respond in good faith to any reasonable request by Recipient for access to any additional services that are necessary for the operation of the Firearm Business and/or the Outdoor Products and Accessories Business, as applicable, following the Distribution that are not currently contemplated in the Service Schedules, at a price to be agreed upon after good faith negotiations between the parties. Any such additional services so provided by Provider shall constitute Services under this Agreement and be subject in all respects to the provisions of this Agreement as if fully set forth on the Service Schedules as of the date hereof.

(c) The parties hereto acknowledge the transitional nature of the Services. Accordingly, as promptly as practicable following the execution of this Agreement, Recipient agrees to use commercially reasonable efforts to make a transition of each Service to its own internal organization or to obtain alternate third-party sources to provide the Services.

(d) In providing the Services, Provider shall not be obligated to (i) purchase, lease, or license any additional equipment or software unless any additional costs to Provider are reimbursed by Recipient, (ii) create or supply any documentation or information not currently existing or available through minimal efforts of Provider, (iii) pay any costs related to the transfer or conversion of data to Recipient or any alternate supplier of the Services, or (iv) enter into additional contracts with third parties or change the scope of current agreements with third parties unless any additional costs to Provider are reimbursed by Recipient.

(e) Subject to Section 3.3, Section 3.4, and Section 4.5, the obligations of Provider under this Agreement to provide Services shall terminate with respect to each Service upon the earlier of (i) August 24, 2022, or (ii) the termination of the applicable service period specified in the Service Schedule (each, an "End Date"). Notwithstanding the foregoing, the parties acknowledge and agree that Recipient may determine from time to time that it does not require all the Services set forth on the Service Schedules or that it does not require such Services for the entire period up to the applicable End Date. Accordingly, Recipient may terminate any Service, in whole or in part, upon thirty (30) days' advance written notice to Provider. In no event shall Provider be obligated to provide Services to Recipient after the End Date unless Provider otherwise agrees in writing to such an extension pursuant to Section 3.3.

Section 2.2 Standard of Service.

(a) Provider represents, warrants, and agrees that the Services shall be provided in good faith, in accordance with Applicable Law, and in a manner generally consistent with the historical provision of the Services and with the same standard of care as historically provided. Subject to Section 2.3, Provider agrees to assign sufficient resources and qualified personnel as are reasonably required to perform the Services in accordance with the standards set forth in the preceding sentence.

(b) Except as expressly set forth in Section 2.2(a) or in any contract entered into hereunder, Provider makes no representations and warranties of any kind, implied or expressed, with respect to the Services, including, without limitation, no warranties of merchantability or fitness for a particular purpose, which are specifically disclaimed. Recipient acknowledges and agrees that this Agreement does not create a fiduciary relationship, partnership, joint venture, or relationships of trust or agency between the parties and that all Services are provided by Provider as an independent contractor.

Section 2.3 Third-Party Service Providers. Provider shall have the right to hire third-party subcontractors to provide all or part of any Service hereunder; provided, however, that in the event such subcontracting is inconsistent with past practices or such subcontractor is not already engaged with respect to such Service as of the date hereof, Provider shall obtain the prior written consent of Recipient to hire such subcontractor, which consent shall not be unreasonably withheld. Provider shall in all cases retain responsibility for the provision to Recipient of Services to be performed by any third-party service provider or subcontractor or by any of Provider's Affiliates.

Section 2.4 Access to Premises.

(a) In order to enable the provision of the Services by Provider, Recipient agrees that it shall provide to Provider's Affiliates, employees, and any third-party service providers or subcontractors who provide Services, at no cost to Provider, access to the facilities, assets, and books and records of Recipient and its Affiliates, in all cases to the extent reasonably necessary for Provider to fulfill its obligations under this Agreement.

(b) Provider agrees that all of its and its Affiliates' employees and any third-party service providers and subcontractors, when on the property of Recipient or when given access to any equipment, computer, software, network, or files owned or controlled by Recipient, shall conform to the policies and procedures of Recipient concerning health, safety, and security which are made known to Provider in advance in writing.

ARTICLE 3
COMPENSATION

Section 3.1 Responsibility for Wages and Fees. For such time as any employees of Provider or any of its Affiliates are providing the Services to Recipient under this Agreement, (a) such employees will remain employees of Provider or such Affiliate, as applicable, and shall not be deemed to be employees of Recipient for any purpose, and (b) subject to Section 3.2, Provider or such Affiliate, as applicable, shall be solely responsible for the payment and provision of all wages, bonuses, and commissions, employee benefits, including severance and worker's compensation, and the withholding and payment of applicable taxes relating to such employment ("Employee Expenses").

Section 3.2 Terms of Payment and Related Matters.

(a) As consideration for provision of the Services, Recipient shall pay Provider the amount specified for each Service in accordance with the terms set forth in the Service Schedules. In addition to such amounts, unless covered in the amount specified for the Services in accordance with the terms set forth in the Service Schedules, Recipient shall reimburse Provider for reasonable documented expenses incurred by Provider in the provision of any Service, including, without limitation, Employee Expenses, license fees, and payments to third-party service providers or subcontractors (collectively, "Out-of-Pocket Costs"), in accordance with the procedure set forth in Section 3.2(c).

(b) During the term of this Agreement, SWBI shall apply a credit against any amounts payable by AOUT, as a Recipient of Services, to SWBI, as a Provider of Services, pursuant to Section 3.2(a), as follows:

(i) $900,000, which will be applied during the period beginning on the date of this Agreement and ending on the first anniversary of the date of this Agreement; and

(ii) $450,000, which will be applied during the period beginning on the first anniversary of the date of this Agreement and ending on the second anniversary of the date of this Agreement.

(c) Provider shall provide Recipient with such supporting documentation as Recipient may reasonably request with respect to Out-of-Pocket Costs. Subject to Section 3.2(d), Recipient shall pay to Provider the amount payable pursuant to this Agreement as promptly as reasonably practicable after the date of receipt of such supporting documentation by Recipient from Provider, but in any event no later than 15 days after receipt of such supporting documentation. Notwithstanding any other provision of this Agreement (except Section 3.3), compensation for Services will be determined using an internal cost allocation methodology based on fully burdened cost such that the party providing the Services will have neither a profit nor loss from the provision of such Services as calculated under GAAP.

(d) In the event of a dispute by Recipient of the amount due according to the supporting documentation, no later than ten (10) days following receipt by Recipient of such disputed supporting documentation, Recipient shall deliver a written statement to Provider listing all disputed items and providing a reasonably detailed description of each disputed item. Amounts not so disputed shall be deemed accepted and shall be paid, notwithstanding disputes on other items, within the period set forth in Section 3.2(c). The parties shall seek to resolve all such disputes expeditiously and in good faith but if such dispute cannot be resolved within thirty (30) days, Provider may initiate legal action to seek resolution of such dispute.

Section 3.3 Extension of Services. The parties agree that Provider shall not be obligated to perform any Service after the applicable End Date; provided, however, that if Recipient desires and Provider agrees to continue to perform any of the Services after the applicable End Date, the parties shall negotiate in good faith to determine a market price that compensates Provider for its performance of such Services, including reimbursement of all Out-of-Pocket Costs and an ongoing procedure for such reimbursement. Except as amended through the mutually agreed upon extension, the Services so performed by Provider after the applicable End Date shall continue to constitute Services under this Agreement and be subject in all respects to the provisions of this Agreement for the duration of the agreed-upon extension period.

Section 3.4 Terminated Services. Upon termination or expiration of any or all Services pursuant to this Agreement, or upon the termination of this Agreement in its entirety, Provider shall have no further obligation to provide the applicable terminated Services and Recipient will only have the obligation to pay Provider pursuant to Section 3.2 for or in respect of (a) Services already provided in accordance with the terms of this Agreement and received by Recipient prior to such termination, and (b) which Provider became legally bound on or before such termination or expiration to pay as a result of the provision of Services to Recipient.

Section 3.5 No Right of Setoff. Each of the parties hereby acknowledges that it shall have no right under this Agreement to offset any amounts owed (or to become due and owing) to the other party, whether under this Agreement, the Separation and Distribution Agreement, or otherwise, against any other amount owed (or to become due and owing) to it by the other party.

ARTICLE 4
TERMINATION

Section 4.1 Termination of Agreement. Subject to Section 4.4, this Agreement shall terminate in its entirety upon the earlier of (a) the End Date, (b) the date upon which the parties shall have no continuing obligation to perform any Services as a result of each of their expiration or termination in accordance with Section 2.1(e) or Section 4.2, or (c) in accordance with Section 4.3.

Section 4.2 Termination of Agreement in the Event of Breach. Any party (the "Non-Breaching Party") may terminate this Agreement with respect to any Service, in whole or in part, at any time upon prior written notice to the other party (the "Breaching Party") if the Breaching Party has failed (other than pursuant to Section 4.5) to perform any of its obligations under this Agreement relating to such Service, and such failure shall have continued without cure for a period of fifteen (15) days after receipt by the Breaching Party of a written notice of such failure from the Non-Breaching Party seeking to terminate such Service.

Section 4.3 Insolvency. In the event that either party hereto shall (a) file a petition in bankruptcy, (b) become or be declared insolvent, or become the subject of any proceedings (not dismissed within sixty (60) days) related to its liquidation, insolvency, or the appointment of a receiver, (c) make an assignment on behalf of all or substantially all of its creditors, or (d) take any corporate action for its winding up or dissolution, then the other party shall have the right to terminate this Agreement by providing written notice in accordance with Section 7.1.

Section 4.4 Effect of Termination. Upon termination of this Agreement in its entirety pursuant to Section 4.1, all obligations of the parties hereto shall terminate, except for the provisions of Section 3.2, Section 3.4, Section 3.5, Article 4, Article 5 and Article 6, which shall survive any termination or expiration of this Agreement.

Section 4.5 Force Majeure. The obligations of Provider under this Agreement with respect to any Service shall be suspended during the period and to the extent that Provider is prevented or hindered from providing such Service, or Recipient is prevented or hindered from receiving such Service, due to any of the following causes beyond such party's reasonable control (such causes, "Force Majeure Events"): (a) acts of God; (b) flood, fire, or explosion, (c) war, invasion, riot, or other civil unrest; (d) Applicable Law or judicial or administrative order; (e) actions, embargoes, or blockades in effect on or after the date of this Agreement; (f) action by any Governmental Authority; (g) national or regional emergency; (h) strikes, labor stoppages, or slowdowns or other industrial disturbances; (i) shortage of adequate power or transportation facilities; (j) pandemics; or (k) any other event which is beyond the reasonable control of such party. The party suffering a Force Majeure Event shall give notice of suspension as soon as reasonably practicable to the other party stating the date and extent of such suspension and the cause thereof, and Provider shall resume the performance of its obligations as soon as reasonably practicable after the removal of the cause. Neither Provider nor Recipient shall be liable for the nonperformance or delay in performance of its respective obligations under this Agreement when such failure is due to a Force Majeure Event. The applicable End Date for any Service so suspended shall be automatically extended for a period of time equal to the time lost by reason of the suspension.

ARTICLE 5
CONFIDENTIALITY

Section 5.1 Confidentiality.

(a) During the term of this Agreement and thereafter, the parties hereto shall, and shall instruct their respective employees, agents, accountants, legal counsel, and other representatives ("Representatives") to, maintain in confidence and not disclose the other party's financial, technical, sales, marketing, development, personnel, and other information, records, or data, including, without limitation, customer lists, supplier lists, trade secrets, designs, product formulations, product specifications, or any other proprietary or confidential information, however recorded or preserved, whether written or oral (any such information, "Confidential Information"). Each party hereto shall use the same degree of care, but no less than reasonable care, to protect the other party's Confidential Information as it uses to protect its own Confidential Information of like nature. Unless otherwise authorized in any other agreement between the parties, any party receiving any Confidential Information of the other party (the "Receiving Party") may use Confidential Information only for the purposes of fulfilling its obligations under this Agreement (the "Permitted Purpose"). Any Receiving Party may disclose such Confidential Information only to its Representatives who have a need to know such information for the Permitted Purpose and who have been advised of the terms of this Section 5.1 and the Receiving Party shall be liable for any breach of these confidentiality provisions by such Persons; provided, however, that any Receiving Party may disclose such Confidential Information to the extent such Confidential Information is required to be disclosed by Applicable Law or judicial or administrative order, in which case the Receiving Party shall promptly notify, to the extent possible, the disclosing party (the "Disclosing Party"), and take reasonable steps to assist in contesting such disclosure or in protecting the Disclosing Party's rights prior to disclosure, and in which case the Receiving Party shall only disclose such Confidential Information that it is advised by its counsel in writing that it is legally bound to disclose under such Applicable Law or judicial or administrative order.

(b) Notwithstanding the foregoing, "Confidential Information" shall not include any information that the Receiving Party can demonstrate (i) was publicly known at the time of disclosure to it, or has become publicly known through no act of the Receiving Party or its Representatives in breach of this Section 5.1, (ii) was rightfully received from a third party without a duty of confidentiality, or (iii) was developed by it independently without any reliance on the Confidential Information.

(c) Upon demand by the Disclosing Party at any time, or upon expiration or termination of this Agreement with respect to any Service, the Receiving Party agrees promptly to return or destroy, at the Disclosing Party's option, all Confidential Information. If such Confidential Information is destroyed, an authorized officer of the Receiving Party shall certify to such destruction in writing.

ARTICLE 6
LIMITATION ON LIABILITY; INDEMNIFICATION

Section 6.1 Limitation on Liability. In no event shall either party hereto have any liability under any provision of this Agreement for any punitive, special, or indirect damages relating to the breach or alleged breach of this Agreement, or diminution of value or any damages based on any type of multiple, whether based on statute, contract, tort, or otherwise, and whether or not arising from the other party's sole, joint, or concurrent negligence, strict liability, criminal liability, or other fault. Recipient acknowledges that the Services to be provided to it hereunder are subject to, and that its remedies under this Agreement are limited by, the applicable provisions of Section 2.2, including the limitations on representations and warranties with respect to the Services.

Section 6.2 SWBI Indemnification. Subject to the limitations set forth in Section 6.1, SWBI shall indemnify, defend, and hold harmless AOUT and its Affiliates and each of their respective Representatives (collectively, the "AOUT Indemnified Parties") from and against any and all Liabilities of the AOUT Indemnified Parties relating to, arising out of, or resulting from the gross negligence or willful misconduct of SWBI or its Affiliates or any third party that provides a Service to AOUT pursuant to Section 2.3 in connection with the provision of, or failure to provide, any Services to AOUT.

Section 6.3 AOUT Indemnification. Subject to the limitations set forth in Section 6.1, AOUT shall indemnify, defend, and hold harmless SWBI and its Affiliates and each of their respective Representatives (collectively, the "SWBI Indemnified Parties") from and against any and all Liabilities of the SWBI Indemnified Parties relating to, arising out of, or resulting from the gross negligence or willful misconduct of AOUT or its Affiliates or any third party that provides a Service to SWBI pursuant to Section 2.3 in connection with the provision of, or failure to provide, any Services to SWBI.

ARTICLE 7
MISCELLANEOUS

Section 7.1 Notices. All supporting documentation, invoices, notices, requests, consents, claims, demands, waivers, and other communications hereunder shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt), (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested), (c) on the date sent by facsimile or e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient, or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 7.1):

(a) if to SWBI:

Smith & Wesson Brands, Inc.
2100 Roosevelt Avenue
Springfield, Massachusetts 01104
Email: rcicero@smith-wesson.com
Attn: General Counsel

with a copy (which shall not constitute notice) to:

Greenberg Traurig, LLP
2375 East Camelback Road, Suite 700
Phoenix, Arizona 85016
Attn: Robert S. Kant
Katherine A. Beck
Email: kantr@gtlaw.com
beckk@gtlaw.com

(b) if to AOUT:

American Outdoor Brands, Inc.
1800 North Route Z
Columbia, Missouri 65202
Attn: Chief Counsel
Email: dbrown@aob.com

with a copy (which shall not constitute notice) to:

Greenberg Traurig, LLP
2375 East Camelback Road, Suite 700
Phoenix, Arizona 85016
Attn: Robert S. Kant
Katherine A. Beck
Email: kantr@gtlaw.com
beckk@gtlaw.com

Section 7.2 Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

Section 7.3 Severability. If any term or provision of this Agreement is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal, or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

Section 7.4 Entire Agreement. This Agreement, including the Service Schedules, constitutes the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein and supersedes all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter. In the event and to the extent that there is a conflict between the provisions of this Agreement and the provisions of the Separation and Distribution Agreement as it relates to the Services hereunder, the provisions of this Agreement shall control.

Section 7.5 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Subject to the following sentence, neither party may assign its rights or obligations hereunder without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed. Notwithstanding the foregoing sentence, Recipient may, without the prior written consent of Provider, assign all or any portion of its right to receive Services to any of its Affiliates; provided, that such Affiliate shall receive such Services from Provider in the same place and manner as described in the Service Schedule as Recipient would have received such Service. No assignment shall relieve the assigning party of any of its obligations hereunder.

Section 7.6 No Third-Party Beneficiaries. This Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit, or remedy of any nature whatsoever, under or by reason of this Agreement.

Section 7.7 Amendment and Modification; Waiver. This Agreement, including the Service Schedules, may only be amended, modified, or supplemented by an agreement in writing signed by each party hereto. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No failure to exercise, or delay in exercising, any right, remedy, power, or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power, or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege.

Section 7.8 Governing Law; Submission to Jurisdiction. This Agreement shall be governed by and construed in accordance with the internal laws of the state of Delaware without giving effect to any choice or conflict of law provision or rule. Any legal suit, action, or proceeding arising out of or based upon this Agreement or the transactions contemplated hereby may be instituted in the federal courts of the United States of America or the courts of the state of Delaware, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action, or proceeding. Service of process, summons, notice, or other document by mail to such party's address set forth herein shall be effective service of process for any suit, action, or other proceeding brought in any such court. The parties irrevocably and unconditionally waive any objection to the laying of venue of any suit, action, or any proceeding in such courts and irrevocably waive and agree not to plead or claim in any such court that any such suit, action, or proceeding brought in any such court has been brought in an inconvenient forum.

Section 7.9 Waiver of Jury Trial. Each party irrevocably and unconditionally waives any right it may have to a trial by jury in respect of any legal action arising out of or relating to this Agreement or the transactions contemplated hereby. Each party to this Agreement certifies and acknowledges that (a) no representative of any other party has represented, expressly or otherwise, that such other party would not seek to enforce the foregoing waiver in the event of a legal action, (b) such party has considered the implications of this waiver, (c) such party makes this waiver voluntarily, and (d) such party has been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this Section 7.9.

Section 7.10 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail, or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

SMITH & WESSON BRANDS, INC.

By: */s/ Mark P. Smith*
Name: Mark P. Smith
Title: President and Chief Executive Officer

AMERICAN OUTDOOR BRANDS, INC.

By: */s/ Brian D. Murphy*
Name: Brian D. Murphy
Title: President and Chief Executive Officer

SCHEDULE A

Information Technology Services

ID	Service	Description	Service Period	Cost[1]
1	IT Systems	SWBI will provide AOUT (and third parties designated by AOUT) with network access to the SWBI IT systems specified below in the attached Schedule A-1. SWBI will provide AOUT with reasonable notice in advance of any planned system maintenance outages so that AOUT can properly plan for such outages.	Up to 24 months commencing on the Distribution; provided, however, that this term may be extended by mutual agreement of AOUT and SWBI pursuant to Section 3.3.	
2	Share Point and Shared Drives	SWBI to provide AOUT with access to the SWBI shared drives set forth in the attached Schedule A-2 until such time as they have been carved out or copied and provided to AOUT:	Up to 24 months commencing on the Distribution.	
3	E-mail	SWBI to provide AOUT with access to historical emails, to the extent not transferred prior to or following the Distribution. Email will be migrated from SWBI to AOUT prior to the termination of this transition service.	Up to 24 months commencing on the Distribution.	
4	End User Support	SWBI to provide AOUT with Service Desk services until such time as substitute Service Desk services are established by AOUT. Service desk services of AOUT will be split into: Traditional IT service desk – PC maintenance, software licensing, password reset, network/infrastructure, Citrix, printer / copier maintenance etc. SAP support – Break/Fix and interface support, mass data loads, batch jobs, go anywhere file movement, authorization support, EDI, data carve out/copy for transition to new ERP system by AOUT. In the event that AOUT acquires a new company or business or performs other integrations while this transition service is in effect, SWBI will assist in the loading of the data for that newly acquired company in SAP. The assumption is that any new acquisitions will follow current business processes.	Up to 24 months commencing on the Distribution.	

1 Costs for services in this Schedule A will be calculated as set forth in the “Cost and Billing” section below.

ID	Service	Description	Service Period	Cost[1]
		New custom development in SAP solely for AOUT will not be provided to AOUT, nor will support of ERP selection or implementation by AOUT, or loading of legacy data into the newly selected ERP system. However, SWBI will provide data extraction and transfer to assist AOUT's third-party consultants in implementation of new AOUT ERP system. AOUT will manage and provide its own cyber security for the websites directly related to AOUT. SWBI will not provide administration and cyber security to web sites that are not operated and maintained by SWBI. SWBI will not provide support for AOUT's Salesforce.com functionality. SWBI will work with AOUT to establish and adhere to quarterly system maintenance windows in which systems may be down and unavailable for use.		

Cost and Billing

AOUT will be billed by SWBI monthly for services rendered associated with this Agreement according to the following guidelines:

- Hardware purchased by SWBI for AOUT will be billed at cost.
- Software licensing will be billed by SWBI at the license cost per application per person.
- Day-to-day IT support supplied to AOUT will be billed by SWBI as 15% of the fully burdened salary plus fringe of the infrastructure, service desk, CoE, BASIS, and authorization teams monthly. This percentage will be revisited quarterly in order to ensure that the charges and percentage of time spent on AOUT IT support are appropriate and justified. These assessments may increase or decrease the rate billed by SWBI to AOUT.
- Development project(s) for the sole use of AOUT will be estimated by SWBI by functional area/resource and billed above and beyond day-to-day IT services.

SCHEDULE A-1

IT Systems

ID	System/Software	Description	Additional notes	Cost[2]
1	SAP	CoE—Supported as described in Schedule A, IT Services	No Infrastructure	
2	Esker	Infrastructure – Support connectivity with SAP & SAGE CoE—Interface support as needed		
3	Sterling Integrator	Infrastructure – Support Servers, vendor connectivity CoE—Day to day business support for all EDI transactions between SAP and trading partners.		
4	Solidworks	Infrastructure – Support Server, Licensing		
5	Creo	Infrastructure – Support Server, Licensing		
6	Office 365/suite	Infrastructure – Email Domains, SharePoint		
7	Blackline	CoE—Interface support as needed	No Infrastructure	
8	Qlikview	Infrastructure – Support Servers CoE—Break/fix support of existing reports. SWBI may choose to use existing or create Qlikview reports if deemed necessary to support data carve out.		
9	ADP	Access will be provided and administered. CoE – Interface support as needed	No Infrastructure	
10	Trend Micro	End point and server anti-virus software. Software and updates will be supported. Infrastructure – Support Servers		
11	Blue Prism	Infrastructure – Support Servers		

2 During the last year of the transition services to be provided under this Schedule A-1, licensing for the applicable software will be transitioned to AOUT from SWBI on the respective anniversary of each license renewal. Until that date, SWBI will cross charge AOUT for the cost of each such license.

ID	System/Software	Description	Additional notes	Cost[2]
12	SPS Commerce	Complete transition of trading partners from SPS commerce to Sterling Integrator	No Infrastructure	
13	Adobe	Reader, Pro, and Creative Cloud. Licensing and installation supported	No Infrastructure	
14	PDM Standard	PDM vault for solids. Database and application support		
17	Paymetric	Infrastructure – Support Servers		
18	QAS (address verification)	Infrastructure – Support Servers Installation and testing of updates		
19	Active Directory	Infrastructure – Support Servers; user accounts; security groups		
20	Network services	Infrastructure – Support network switches, routers, firewalls, wireless, LAN, WAN, VPN		
21	SAP Console	Infrastructure – Support Servers		
22	Winshuttle Foundation	Infrastructure – Support Servers. Break / fix for purchase requisition release process.		
23	Winshuttle data services	Infrastructure – Support Servers CoE—Break/fix support as well as mass updates as needed.		
24	Wells Fargo	Interface and file administration support. Infrastructure – Support Servers and FTP/SFTP connections/accounts CoE—Interface support as needed.		
25	TD Bank	Interface and file administration support. Infrastructure – Support Servers and FTP/SFTP connections/accounts CoE—Interface support as needed.		
26	Printing services	Print servers Maintain printers Infrastructure – Support Servers		

ID	System/Software	Description	Additional notes	Cost[1]
27	SMTP Email relay	Infrastructure – Support Servers		
28	SQL database servers	Infrastructure – Support Servers		
29	SAP GRC services	Support audit compliance / segregation of duties for AOUT		
30	Citrix	Need to determine remote access needs of AOUT moving forward		
31	KBOX	KBOX will be used to track ticket progress and resolution for AOUT		
32	Sage – Taylor Brands	Infrastructure – Support Servers and access controls		
33	Sage – Crimson Trace	Infrastructure – Support Servers and access controls		
34	Sage – UST	Infrastructure – Support Servers and access controls		
35	Great Plains – BTI	Infrastructure – Support Servers		
36	SAP Concur	Access and travel administration will be supported until AOUT establishes their own travel and expense solution	No Infrastructure	
37	Readsoft	Legacy invoicing data. Infrastructure – Support Servers		
38	Mitel/Telephone	Phone systems in Chicopee, Columbia and Crimson Trace. Infrastructure – Support		
39	Bartender	CoE – maintain necessary customer labels as well as the associated interfaces and printing functionality. Infrastructure – Support Servers		
40	Currency Exchange Interface	Thompson Reuter’s currency exchange interface CoE—Interface support as needed		

ID	System/Software	Description	Additional notes	Cost[1]
41	Process Weaver	CoE—Interface support as needed Infrastructure – Support Servers		
42	SFCC Interface	CoE – support SAP interface with SFCC		
43	Windchill	Windchill engineering software – Software installation when required		

SCHEDULE A-2

Shared Drives

ID	Network Drive	Description	Additional notes
1	\\san-cifs01.smith-wesson.com\usr-share (H)	Shared drive space by endpoint	Allows people to store files on a network drive that is not accessible by other people
2	\\SAN-CIFS01.smith-wesson.com (I)	Shared drive. Access can be limited by folder.	
3	\\SAN-CIFS01.smith-wesson.com (T)	Shared drive. Access can be limited by folder.	

SCHEDULE B

Finance Services

ID	Service	Description	Service Period	Cost[3]
1	Financial Business Transactions	As reasonably requested by either party, the other party to provide support and training for the requesting party to perform financial business transactions, including accounting, consolidation, reporting, and forecasting.	Up to 24 months commencing on the Distribution.	
2	Treasury	As reasonably requested by either party, the other corresponding party will support the requesting party with banking activities (including banking and cash management processes and procedures).	Up to 24 months commencing on the Distribution.	
3	Tax	As reasonably requested by either party, the other party will provide support and assistance in the resolution of audit matters related to any tax filing that occurred prior to the spin-off of AOUT.	Up to 24 months commencing on the Distribution.	
4	Audit	SWBI to provide AOUT with SOC1 testing and certificate; reasonable cost to be paid by AOUT. Failing the ability to provide a SOC1, SWBI will accommodate AOUT's auditors in testing internal controls over information technology systems. SWBI to provide AOUT with support, knowledge transfer, and training related to internal controls.	Up to 24 months commencing on the Distribution.	

3 Cost for all Finance Services will be calculated in accordance with Section 3.2 of this Agreement.

SCHEDULE C

Human Resources Services

ID	Service	Description	Service Period	Cost
1	401(k)	As reasonably requested by AOUT, SWBI to (i) provide information and consulting services regarding prior participation by any AOUT employee in the SWBI 401(k) plan, and (ii) assist in transitioning AOUT employees to the AOUT 401(k) plan, including with respect to questions/issues that arise regarding the transfer of participant accounts, loans, etc. from the SWBI 401(k) plan into the AOUT 401(k) plan. For these services, the primary service providers will be Benefits Manager, Jim Pashko, or Benefits Specialist, (currently Liz Carroll), provided that neither shall dedicate more than 5% of their time during the service period.	Up to 24 months commencing on the Distribution.	$48/hour
2	E-Trade	As reasonably requested by AOUT, SWBI to provide consulting services regarding administration of AOUT's E-Trade platform and equity/ESPP program. For these services, the primary service providers will be Lisa Gebhardt and/or Laura Olmeda-Smith, provided that neither shall dedicate more than 5% of their time during the service period. E-Trade to be the primary consultant for things such as processing, admin. SWBI would be the resource on plans, historical eligibility, ESPP historical records, etc.	Up to 24 months commencing on the Distribution.	$76/hour

SCHEDULE D

Compliance Services

ID	Service	Description	Service Period	Cost[4]
1	Compliance Training	As reasonably requested by AOUT, SWBI will provide assistance in managing quarterly, online compliance training for AOUT employees. For these services, the primary service provider shall be SWBI's Corporate Compliance Analyst, provided that the service provider shall not dedicate more than 5% of his or her time to the provision of these services to AOUT during the service period.	Up to 6 months commencing on the Distribution.	
2	Policy Management	As reasonably requested by AOUT, SWBI will provide assistance in managing compliance policies. For these services, the primary service provider shall be SWBI's Corporate Compliance Analyst, provided that the service provider shall not dedicate more than 5% of his or her time to the provision of these services to AOUT during the service period.	Up to 6 months commencing on the Distribution.	
3	Anti-Corruption and Third Party Management	As reasonably requested by AOUT, SWBI will provide assistance managing AOUT's Anti-Corruption processes, policies, and procedures, including due diligence and training. For these services, the primary service provider shall be SWBI's Director of Corporate Compliance, Hope Sholes, provided that Ms. Sholes shall not dedicate more than 15% of her time to the provision of these services to AOUT during the service period.	Up to 6 months commencing on the Distribution.	
4	Export Compliance	As reasonably requested by AOUT, SWBI will provide assistance in managing AOUT's Export Controls processes, policies, and procedures, including training. For these services, the primary service provider shall be SWBI's Trade Compliance Manager, Sharon Breault, provided that Ms. Breault shall not dedicate more than 15% of her time to the provision of these services to AOUT during the service period.	Up to 6 months commencing on the Distribution.	

4 Cost for all Compliance Services will be calculated in accordance with Section 3.2 of this Agreement.

SCHEDULE E

Legal Services

ID	Service	Description	Service Period	Cost[5]
1	Knowledge Transfer	As reasonably requested by AOUT, SWBI Legal Department personnel shall provide knowledge transfer and general assistance to AOUT, related to legal matters that occurred prior to the Distribution. No information or assistance may be provided to the extent it would create a conflict of interest, violate any confidentiality obligations, risk the loss of attorney-client privilege, expose SWBI to potential liability, or otherwise interfere with the operation of SWBI's business. AOUT shall use all reasonable efforts to minimize the extent of requested knowledge transfer and general assistance from SWBI. The areas of knowledge transfer will include the following: • Access to information from SWBI's e-billing and matter management system, on an as-needed basis • Access to SWBI's information regarding contract management, on an as-needed basis • Access to information and supporting documentation for materials filed with the SEC prior to the Distribution	Up to 12 months commencing on the Distribution.	
2	Legal Services —IP	As reasonably requested by AOUT, SWBI Legal Department personnel shall provide assistance with regard to the legal aspects of managing AOUT's intellectual property portfolio. For these services, the primary service providers shall be Associate General Counsel, Chris Scott, and Intellectual Property Paralegal, Paul Szulak, provided that neither Mr. Scott nor Mr. Szulak shall dedicate more than 15% of his time to the provision of these services to AOUT during the service period.	Up to 6 months commencing on the Distribution.	
3	Legal Services _ Data Privacy and	As reasonably requested by AOUT, SWBI Legal Department personnel shall provide assistance with issues relating to privacy law and cybersecurity law.	Up to 6 months commencing on the Distribution.	

5 Cost for all Legal Services will be calculated in accordance with Section 3.2 of this Agreement.

ID	Service	Description	Service Period	Cost[5]
	Cyber Security	For these services, the primary service provider shall be Assistant General Counsel, Ahsan Khan, provided that Mr. Khan shall not dedicate more than 5% of his time to the provision of these services to AOUT during the service period.		
4	Legal Services – Commercial Contracts	As reasonably requested by AOUT, SWBI Legal Department personnel shall provide assistance with issues relating to commercial contracts. For these services, the primary service provider shall be Assistant General Counsel, Ahsan Khan, provided that Mr. Kahn shall not dedicate more than 10% of his time to the provision of these services to AOUT during the service period.	Up to 6 months commencing on the Distribution.	
5	Legal Services —Corporate	As reasonably requested by AOUT, SWBI Legal Department personnel shall provide assistance with legal entity formation and corporate organization and maintenance matters. For these services, the primary service provider shall be General Counsel, Robert Cicero, provided that Mr. Cicero shall not dedicate more than 5% of his time to the provision of these services to AOUT during the service period.	Up to 6 months commencing on the Distribution.	

SCHEDULE F

Security Services

ID	Service	Description	Service Period	Cost[6]
1	Security Services	SWBI Security will continue to provide the security services and continue to administer the security systems in place at the Columbia, Missouri facility as of the Distribution	Up to 6 months commencing on the Distribution.	

6 Cost for all Security Services will be calculated in accordance with Section 3.2 of this Agreement.

SCHEDULE G

Investor Relations Support Services

ID	Service	Description	Service Period	Cost[7]
1	Investor Relations	SWBI pays AOUT for investor relations consulting services as needed, up to an agreed maximum percentage of available time of AOUT's Investor Relations employee(s)	Up to 24 months commencing on the Distribution.	

7 Cost for all Investor Relations Services will be calculated in accordance with Section 3.2 of this Agreement.

Exhibit 10.2

TAX MATTERS AGREEMENT

by and between

SMITH & WESSON BRANDS, INC.

and

AMERICAN OUTDOOR BRANDS, INC.

Dated as of August 21, 2020

TAX MATTERS AGREEMENT

THIS TAX MATTERS AGREEMENT (this "Agreement") is entered into as of August 21, 2020, by and between Smith & Wesson Brands, Inc., a Nevada corporation ("SWBI"), and American Outdoor Brands, Inc., a Delaware corporation ("AOUT"). Each of SWBI and AOUT is sometimes referred to herein as a "Party" and, collectively, as the "Parties."

WHEREAS, pursuant to the Separation and Distribution Agreement, dated as of August 21, 2020, by and between SWBI and AOUT (the "Separation Agreement"), SWBI agreed, among other things, to contribute certain assets to AOUT (the "Contribution") and to distribute all of the outstanding stock of AOUT to SWBI's stockholders (the "Distribution");

WHEREAS, prior to consummation of the Distribution, SWBI was in "control" of AOUT (within the meaning of Section 368(c) of the Code);

WHEREAS, the Parties intend that, for federal income Tax purposes, the Contribution and the Distribution qualify as a reorganization within the meaning of Section 368(a)(1)(D) of the Code and a distribution to which Section 355 of the Code applies and this Agreement and any related agreement constitute a "plan of reorganization" within the meaning of Section 368 of the Code;

WHEREAS, the obligation of SWBI to consummate the Contribution and Distribution is conditioned, among other things, upon the receipt of a tax opinion from the Tax Advisor that the Contribution and the Distribution will qualify as a reorganization within the meaning of Section 368(a)(1)(D) of the Code and a distribution to which Section 355 of the Code applies (the "Tax Opinion"); and

WHEREAS, the Parties wish to (a) provide for the payment of Tax liabilities and entitlement to refunds thereof, allocate responsibility for, and cooperation in the filing of Tax Returns, and provide for certain other matters relating to Taxes, and (b) set forth certain covenants and indemnities relating to the preservation of the intended Tax treatment of the Contribution and the Distribution.

NOW, THEREFORE, in consideration of the foregoing and the terms, conditions, covenants and provisions of this Agreement, each of the Parties mutually covenants and agrees as follows:

ARTICLE I
DEFINITIONS

Section 1.01. General. As used in this Agreement, the following terms have the following meanings:

"Affiliated Group" means an affiliated group of corporations within the meaning of Section 1504(a) of the Code, or any other group filing consolidated, combined or unitary Tax Returns under state, local or foreign law.

"Agreement" has the meaning set forth in the preamble to this Agreement.

"AOUT" has the meaning set forth in the preamble to this Agreement.

"AOUT Equity Awards" has the meaning set forth in the Employee Matters Agreement.

"AOUT Group" has the meaning set forth in the Separation Agreement.

"AOUT Separate Tax Return" means any Tax Return that is required to be filed by, or with respect to, a member of the AOUT Group that is not a Combined Tax Return.

"AOUT Tax Representation Letter" means the tax representation letter from AOUT addressed to the Tax Advisor dated July 1, 2020, supporting the Tax Opinion.

"Closing of the Books Method" means the apportionment of items between portions of a taxable period based on a closing of the books and records on the close of the Distribution Date (in the event that the Distribution Date is not the last day of the taxable period, as if the Distribution Date were the last day of the taxable period), subject to adjustment for items accrued on the Distribution Date that are properly allocable to the taxable period following the Distribution, as determined by SWBI in accordance with applicable law; provided, however, that Taxes not based upon or measured by net or gross income or specific events shall be apportioned between portions of a taxable period on a pro rata basis in accordance with the number of days in each portion.

"Code" means the Internal Revenue Code of 1986, as amended.

"Combined Tax Return" means a Tax Return filed in respect of federal, state, local or foreign income Taxes for an Affiliated Group, or any other affiliated, consolidated, combined, unitary, fiscal unity or other group basis (including as permitted by Section 1501 of the Code).

"Contribution" has the meaning set forth in the recitals to this Agreement.

"Disqualifying Action" means (i) any breach by AOUT of any representation, warranty or covenant made by it in this Agreement or (ii) any event (or series of events) involving the capital stock of AOUT that, in either case, would negate the Tax-Free Status of the Transactions; provided, however, the term "Disqualifying Action" shall not include any action required or expressly permitted under any Transaction Document or that is undertaken pursuant to the Contribution or the Distribution.

"Distribution" has the meaning set forth in the recitals to this Agreement.

"Distribution Date" means the date on which the Distribution occurs.

"Effective Time" means the time at which the Distribution becomes effective.

"Employee Matters Agreement" means the Employee Matters Agreement by and between the Parties dated August 21, 2020.

"Final Determination" means the final resolution of liability for any Tax for any taxable period, by or as a result of: (i) a final decision, judgment, decree or other order by any court of competent jurisdiction that can no longer be appealed; (ii) a final settlement with the IRS, a closing agreement or accepted offer in compromise under Section 7121 or 7122 of the Code, or a comparable agreement under the laws of other jurisdictions, that resolves the entire Tax liability for any taxable period; or (iii) any other final resolution, including by reason of the expiration of the applicable statute of limitations or the execution of a pre-filing agreement with the IRS or other Tax Authority.

"Indemnified Party" means the Party that is entitled to seek indemnification from the other Party pursuant to the provisions of Section 2.01.

"Indemnifying Party" means the Party from which the other Party is entitled to seek indemnification pursuant to the provisions of Section 2.01.

"IRS" means the Internal Revenue Service or any successor thereto, including its agents, representatives, and attorneys.

"Outdoor Products and Accessories Business" has the meaning set forth in the Separation Agreement.

"Party" has the meaning set forth in the preamble to this Agreement.

"Person" has the meaning set forth in Section 7701(a)(1) of the Code.

"Post-Distribution Period" means any taxable period (or portion thereof) beginning after the Distribution Date.

"Pre-Distribution Period" means any taxable period (or portion thereof) ending on or before the Distribution Date.

"Separation Agreement" has the meaning set forth in the recitals to this Agreement.

"Separation Taxes" means any income Taxes (other than Transaction Taxes) that arise in connection with the Contribution or the Distribution. For the avoidance of doubt, Separation Taxes shall include, without limitation, any federal, state, or local income Taxes arising out of deferred intercompany gains recognized pursuant to Treasury Regulations Section 1.1502-13.

"SWBI" has the meaning set forth in the preamble to this Agreement.

"SWBI Equity Awards" has the meaning set forth in the Employee Matters Agreement.

"SWBI Group" has the meaning set forth in the Separation Agreement.

"SWBI Separate Tax Return" means any Tax Return that is required to be filed by, or with respect to, a member of the SWBI Group that is not a Combined Tax Return.

"SWBI Tax Representation Letter" means the tax representation letter from SWBI addressed to the Tax Advisor dated July 1, 2020, supporting the Tax Opinion.

"Tax" means (i) all taxes, charges, fees, duties, levies, imposts, or other similar assessments, imposed by any federal, state or local or foreign governmental authority, including income, gross receipts, excise, property, sales, use, license, capital stock, transfer, franchise, payroll, withholding, social security, value added, real property transfer, intangible, recordation, registration, documentary, stamp and other taxes of any kind whatsoever, and (ii) any interest, penalties or additions attributable thereto.

"Tax Advisor" means Greenberg Traurig, LLP.

"Tax Arbiter" has the meaning set forth in Section 5.08.

"Tax Attributes" means net operating losses, capital losses, investment tax credit carryovers, earnings and profits, foreign tax credit carryovers, overall foreign losses, previously taxed income, separate limitation losses, deductions, credits or other comparable items, and assets basis, that could affect a Tax liability for a past or future taxable period.

"Tax Authority" means any governmental authority or any subdivision, agency, commission or entity thereof or any quasi-governmental or private body having jurisdiction over the assessment, determination, collection or imposition of any Tax (including the IRS).

"Tax Detriment" means an increase in the Tax liability (or reduction in refund or credit or item of deduction or expense, including any carryforward) of a taxpayer for any taxable period.

"Tax Matter" has the meaning set forth in Section 4.01.

"Tax Notice" has the meaning set forth in Section 2.07.

"Tax Opinion" has the meaning set forth in the recitals to this Agreement.

"Tax Opinion Documents" means the Tax Opinion and the information and representations provided by, or on behalf of, SWBI or AOUT to the Tax Advisor in connection therewith.

"Tax Return" means any return, report, certificate, form or similar statement or document (including any related or supporting information or schedule attached thereto and any information return, or declaration of estimated Tax) supplied or required to be supplied to, or filed with, a Tax Authority in connection with the payment, determination, assessment or collection of any Tax or the administration of any laws relating to any Tax and any amended Tax return or claim for refund.

"Tax-Free Status of the Transactions" means the qualification of the Contribution and the Distribution as a reorganization within the meaning of Section 368(a)(1)(D) of the Code and a distribution with respect to which gain or loss is not recognized by SWBI, AOUT, or their respective shareholders pursuant to Section 355 of the Code and in which the AOUT Common Stock distributed is "qualified property" under Section 361(c) of the Code.

"Transaction Documents" means this Agreement, the Separation Agreement, the Transition Services Agreement, and the Employee Matters Agreement.

"Transaction Taxes" means any Tax Detriment incurred by SWBI or AOUT as a result of the Contribution or the Distribution failing to qualify as a reorganization within the meaning of Section 368(a)(1)(D) of the Code and a distribution to which Section 355 of the Code applies or corresponding provisions of other applicable laws with respect to Taxes.

"Transition Services Agreement" means the Transition Services Agreement by and between the Parties dated August 21, 2020.

"Transfer Taxes" means all sales, use, transfer, real property transfer, intangible, recordation, registration, documentary, stamp or similar Taxes imposed on the Contribution or the Distribution.

"Treasury Regulations" means the final and temporary (but not proposed) income Tax regulations promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

Section 1.02. Additional Definitions. Capitalized terms used but not defined in this Agreement have the meaning ascribed to them in the Separation Agreement.

ARTICLE II
ALLOCATION, PAYMENT AND INDEMNIFICATION

Section 2.01. Responsibility for Taxes; Indemnification.

(a) SWBI shall be responsible for and shall pay, and shall indemnify and hold harmless AOUT for, all Tax liabilities (and any loss, cost, damage or expense, including reasonable attorneys' fees and costs, incurred in connection therewith) attributable to: (i) any Taxes reported or required to be reported on (A) an SWBI Separate Tax Return, or (B) a Combined Tax Return that any member of the SWBI Group files or is required to file; (ii) any Transaction Taxes; and (iii) fifty percent (50%) of all Transfer Taxes; in each case, other than Taxes for which AOUT is responsible for under Section 2.01(b).

(b) AOUT shall be responsible for and shall pay, and shall indemnify and hold harmless SWBI for, all Tax liabilities (and any loss, cost, damage or expense, including reasonable attorneys' fees and costs, incurred in connection therewith) attributable to: (i) any Taxes reported or required to be reported on (A) an AOUT Separate Tax Return, or (B) a Combined Tax Return that any member of the AOUT Group files or is required to file; (ii) any Taxes reported or required to be reported on any Combined Tax Return that any member of the SWBI Group files or is required to file to the extent such Taxes are attributable to the Outdoor Products and Accessories Business, as determined pursuant to Section 2.02; (iii) any Taxes that arise from or are attributable to a Disqualifying Action; (iv) fifty percent (50%) of all Transfer Taxes; and (v) any Separation Taxes.

(c) If the Indemnifying Party is required to indemnify the Indemnified Party pursuant to this Section 2.01, the Indemnified Party shall submit its calculations of the amount required to be paid pursuant to this Section 2.01, showing such calculations in sufficient detail so as to permit the Indemnifying Party to understand the calculations. Subject to the following sentence, the Indemnifying Party shall pay to the Indemnified Party, no later than twenty (20) days after the Indemnifying Party receives the Indemnified Party's calculations, the amount that the Indemnifying Party is required to pay the Indemnified Party under this Section 2.01. If the Indemnifying Party disagrees with such calculations, it must notify the Indemnified Party of its disagreement in writing within fifteen (15) days of receiving such calculations.

(d) For all Tax purposes, SWBI and AOUT agree to treat (i) any payment required by this Agreement (other than payments with respect to interest accruing after the Effective Time) as either a contribution by SWBI to AOUT or a distribution by AOUT to SWBI as the case may be, occurring immediately prior to the Effective Time, and (ii) any payment of interest or non-federal Taxes by or to a Tax Authority as taxable or deductible, as the case may be, to the party entitled under this Agreement to retain such payment or required under this Agreement to make such payment, in either case except as otherwise mandated by applicable law.

(e) The amount of any indemnification payment pursuant to this Section 2.01 shall be reduced by the amount of any reduction in Taxes actually realized by the Indemnified Party by the end of the taxable year in which the indemnity payment is made, and shall be increased if and to the extent necessary to ensure that, after all required Taxes on the indemnity payment are paid (including Taxes applicable to any increases in the indemnity payment under this Section 2.01(e)), the Indemnified Party receives the amount it would have received if the indemnity payment was not taxable.

(f) The determination of the Tax liabilities of SWBI and AOUT, respectively, shall be made in a manner consistent with the Employee Matters Agreement and the Separation Agreement.

Section 2.02. Determination of Taxes Attributable to the Outdoor Products and Accessories Business.

(a) For purposes of Section 2.01(b)(ii), the amount of Taxes attributable to the Outdoor Products and Accessories Business shall be determined by SWBI on a pro forma Combined Tax Return of the AOUT Group prepared: (i) assuming that the members of the AOUT Group were not included in the group that filed the relevant Combined Tax Return; (ii) including only Tax items of members of the AOUT Group that were included in the relevant Combined Tax Return; (iii) using all elections, accounting methods and conventions used on the relevant Combined Tax Return for such period; (iv) applying the highest statutory marginal corporate income Tax rate in effect for the relevant taxable period; (v) assuming that the AOUT Group elects not to carry back any net operating losses; and (vi) assuming that the AOUT Group's utilization of any Tax Attribute carryforward or carryback is limited to the Tax Attributes of the AOUT Group that would be available if the Tax liability of the AOUT Group for each prior taxable year were determined in accordance with this Section 2.02.

(b) The Parties shall cooperate in good faith in order to jointly determine the allocation of items of income and expense and intercompany eliminations for purposes of preparing the pro forma Combined Tax Return of the AOUT Group pursuant to Section 2.02(a).

Section 2.03. Preparation of Tax Returns.

(a) SWBI's Responsibility. SWBI shall prepare and timely file (taking into account applicable extensions) all (i) Combined Tax Returns that any member of the SWBI Group is required to file or elects to file, and (ii) SWBI Separate Tax Returns. To the extent that such a Combined Tax Return reflects operations of the AOUT Group for a taxable period that includes the Distribution Date, SWBI shall include in such Combined Tax Return the results of such member of the AOUT Group on the basis of the Closing of the Books Method to the extent permitted by applicable law.

(b) AOUT's Responsibility. Subject to any arrangement under the Transaction Documents, AOUT shall prepare and timely file (taking into account applicable extensions) all Tax Returns required to be filed by or with respect to any member of the AOUT Group other than those Tax Returns that SWBI is required to prepare and file under Section 2.03(a).

Section 2.04. Payment of Sales, Use or Similar Taxes. Transfer Taxes shall be borne fifty percent (50%) by SWBI and fifty percent (50%) by AOUT. Notwithstanding anything in this Section 2.04 to the contrary, the Party required by applicable law shall remit payment for any Transfer Taxes and duly and timely file any related Tax Returns, subject to any indemnification rights it may have against the other Party, which shall be paid in accordance with Section 2.01(c). The Parties shall cooperate in: (i) determining the amount of such Taxes; (ii) providing all available exemption certificates; and (iii) preparing and timely filing any and all required Tax Returns for or with respect to such Taxes with any and all appropriate Tax Authorities.

Section 2.05. Treatment of Equity Awards.

(a) To the extent permitted by law, income Tax deductions with respect to the issuance, exercise, vesting or settlement after the Distribution Date of any SWBI Equity Awards or AOUT Equity Awards shall be claimed: (i) in the case of an active officer or employee, solely by the Group that employs such officer or employee at the time of such issuance, exercise, vesting, or settlement, as applicable; (ii) in the case of a former officer or employee, solely by the Group that was the last to employ such former officer or employee; and (iii) in the case of a director or former director (who is not an officer or employee or former officer or employee of a member of either Group), (A) solely by the SWBI Group if such person was, at any time before or after the Distribution, a director of any member of the SWBI Group, and (B) in any other case, solely by the AOUT Group.

(b) If, notwithstanding clause (a), the AOUT Group actually utilizes any deductions for a taxable period ending after the Distribution Date with respect to (i) the issuance, exercise, vesting or settlement after the Distribution Date of any SWBI Equity Awards, or (ii) any liability with respect to compensation required to be paid or satisfied by, or otherwise allocated to, any member of the SWBI Group in accordance with any Transaction Document, AOUT shall promptly remit an amount equal to the overall net reduction in actual cash Taxes paid by the AOUT Group (determined on a "with and without" basis) resulting from the event giving rise to such deduction in the year of such event. If a Tax Authority subsequently reduces or disallows the use of such a deduction by the AOUT Group, SWBI shall return an amount equal to the overall net increase in Tax liability of the AOUT Group owing to the Tax Authority to the remitting party.

(c) For any taxable period (or portion thereof), except as SWBI may at any time determine in its reasonable discretion, SWBI shall satisfy, or shall cause to be satisfied, all applicable withholding and reporting responsibilities (including all income, payroll or other Tax reporting related to income to any current or former employees) with respect to the issuance, exercise, vesting or settlement of SWBI Equity Awards that settle with or with respect to stock of SWBI. For any taxable period (or portion thereof), AOUT shall satisfy, or shall cause to be satisfied, all applicable withholding and reporting responsibilities (including all income, payroll or other Tax reporting related to income to any current or former employees) with respect to the exercise, vesting or settlement of AOUT Equity Awards that settle with or with respect to stock of AOUT. SWBI and AOUT acknowledge and agree that the Parties shall cooperate with each other and with third-party providers to effectuate withholding and remittance of Taxes, as well as required Tax reporting, in a timely manner.

Section 2.06. Tax Refunds. SWBI shall be entitled to any refund (and any interest thereon received from the applicable Tax Authority) of Taxes for which SWBI is responsible for hereunder, AOUT shall be entitled to any refund (and any interest thereon received from the applicable Tax Authority) of Taxes for which AOUT is responsible for hereunder, and a Party receiving a refund to which the other Party is entitled hereunder shall pay over such refund to such other Party within twenty (20) days after such refund is received.

Section 2.07. Audits and Proceedings.

(a) Notwithstanding any other provision hereof, if after the Distribution Date, an Indemnified Party receives any notice, letter, correspondence, claim or decree from any Tax Authority (a "Tax Notice") and, upon receipt of such Tax Notice, believes it has suffered or potentially could suffer any Tax liability for which it is indemnified pursuant to Section 2.01, the Indemnified Party shall deliver such Tax Notice to the Indemnifying Party within ten (10) days of the receipt of such Tax Notice; provided, however, that the failure of the Indemnified Party to provide the Tax Notice to the Indemnifying Party shall not affect the indemnification rights of the Indemnified Party pursuant to Section 2.01, except to the extent that the Indemnifying Party is prejudiced by the Indemnified Party's failure to deliver such Tax Notice. The Indemnifying Party shall have the right to handle, defend, conduct and control, at its own expense, any Tax audit or other proceeding that relates to such Tax Notice; provided that, in all events, SWBI shall have the right to control any Tax audit or proceeding relating to Transaction Taxes or the Tax-Free Status of the Transactions. The Indemnifying Party shall also have the right to compromise or settle any such Tax audit or other proceeding that it has the authority to control pursuant to the preceding sentence subject, in the case of a compromise or settlement that could adversely affect the Indemnified Party, to the Indemnified Party's consent, which consent shall not be unreasonably withheld. If the Indemnifying Party fails within a reasonable time after notice to defend any such Tax Notice or the resulting audit or proceeding as provided herein, the Indemnifying Party shall be bound by the results obtained by the Indemnified Party in connection therewith. The Indemnifying Party shall pay to the Indemnified Party the amount of any Tax liability within fifteen (15) days after a Final Determination of such Tax liability.

(b) If after the Distribution Date, SWBI or AOUT receive a Tax Notice that could have an impact on the other Party, SWBI or AOUT, as applicable, shall deliver such Tax Notice to the other Party within ten (10) days of the receipt of such Tax Notice.

Section 2.08. Carryforwards and Carrybacks.

(a) SWBI shall notify AOUT after the Distribution Date of any consolidated carryover item which may be partially or totally attributed to and carried over by AOUT or a member of its Affiliated Group and will notify AOUT of subsequent adjustments which may affect such carryover item.

(b) To the extent permitted by applicable law, AOUT shall not carry back any federal income Tax item to any Pre-Distribution Period.

Section 2.09. Tax Attributes. Tax Attributes arising in a Pre-Distribution Period shall be allocated to the SWBI Group and the AOUT Group in accordance with the Code and Treasury Regulations. The Parties shall jointly determine the allocation of such Tax Attributes arising in Pre-Distribution Periods as soon as reasonably practicable following the Distribution Date, and hereby agree to compute all Taxes for Post-Distribution Periods consistently with that determination unless otherwise required by a Final Determination.

Section 2.10. Section 336(e) Election.

(a) Pursuant to Treasury Regulations Section 1.336-2(h) and (j), SWBI and AOUT agree that SWBI may make a timely protective election under Section 336(e) of the Code and the Treasury Regulations issued thereunder with respect to the Distribution for each member of the AOUT Group that is a domestic corporation for federal income Tax purposes.

(b) In the event that an election contemplated in Section 2.10(a) is made and becomes effective, then the Parties shall share in any Tax benefit derived as a result of such election in accordance with the Parties' relative responsibility for such Taxes under this Article II, and payments shall be made between the Parties, if necessary.

(c) The Parties shall cooperate in good faith in order to determine whether to make any elections contemplated in Section 2.10(a) and in the timely completion of such elections, if any.

ARTICLE III
TAX-FREE STATUS OF THE TRANSACTIONS

Section 3.01. Representations and Warranties.

(a) AOUT. AOUT hereby represents and warrants or covenants and agrees, as appropriate, that the facts presented and the representations made in the AOUT Tax Representation Letter are, or will be from the time presented or made through and including the Effective Time and thereafter, true, correct and complete in all respects.

(b) SWBI. SWBI hereby represents and warrants or covenants and agrees, as appropriate, that the facts presented and the representations made in the SWBI Tax Representation Letter and any other materials (including the Revenue Procedure 96-30 checklist) delivered or deliverable by SWBI in connection with the rendering by the Tax Advisor of the Tax Opinion are, or will be from the time presented or made through and including the Effective Time and thereafter, true, correct and complete in all respects.

(c) No Contrary Knowledge. Each of SWBI and AOUT represents and warrants that it knows of no fact that may cause the Tax treatment of the Contribution or the Distribution to be other than the Tax-Free Status of the Transactions.

Section 3.02. Covenants.

(a) Preservation of Tax-Free Status. Neither SWBI nor AOUT shall take or fail to take any action within its control that would negate the Tax-Free Status of the Transactions.

(b) Tax Reporting. Each of SWBI and AOUT covenants and agrees that it will not take any position on any Tax Return that is inconsistent with the Tax-Free Status of the Transactions.

(c) Actions Consistent with Representations and Covenants. Neither SWBI nor AOUT shall take any action, or to fail to take any action, which action or failure would be inconsistent with or cause to be untrue any material information, covenant, or representation in this Agreement, the Separation Agreement, or the Tax Opinion Documents.

(d) Plan or Series of Related Transactions. For a period of two (2) years from the Distribution Date, none of AOUT, its affiliates, or any of their respective officers, directors or authorized agents will enter into any agreement, understanding or arrangement or any substantial negotiations with respect to any transaction or series of transactions, including any issuance or transfer of an option (within the meaning of Section 355(e) of the Code), that is for purposes of Section 355(e) of the Code and the Treasury Regulations thereunder (including, for purposes of this Section 3.02(d), any proposed income tax regulations to the extent no final or temporary income tax regulations have been issued that supersede such proposed regulations), part of a plan or series of related transactions with the Distribution pursuant to which one or more Persons acquire, directly or indirectly, stock possessing fifty percent (50%) or more of the total combined voting power or value of all classes of stock of AOUT.

(e) During the two-year period following the Distribution Date:

(i) AOUT shall (A) maintain its status as a company engaged in an active trade or business for purposes of Section 355(b)(2) of the Code, and (B) not engage in any transaction that would result in it ceasing to be a company engaged in an active trade or business for purposes of Section 355(b)(2) of the Code.

(ii) AOUT shall not, and shall not agree to, liquidate or merge, consolidate, or amalgamate with any other Person.

(iii) AOUT shall not sell or otherwise dispose of, or allow the sale or other disposition of, more than 30% of the consolidated gross assets of the AOUT Group or more than 30% of the gross assets of the Outdoor Products and Accessories Business, in each case measured based on fair market values as of the Distribution Date.

(iv) AOUT shall not purchase any of its outstanding stock, other than through stock purchases meeting the requirements of Section 4.05(1)(b) of IRS Revenue Procedure 96-30 (as in effect prior to the amendment of such Revenue Procedure by IRS Revenue Procedure 2003-48).

(v) AOUT shall not amend its certificate of incorporation (or other organizational documents), or take any other action, affecting the voting rights of the equity interests of AOUT.

(f) Notwithstanding the provisions of Section 3.02(d) and Section 3.02(e), AOUT and the other members of the AOUT Group may take any action that would reasonably be expected to be inconsistent with the covenants contained in Section 3.02(d) or Section 3.02(e) if either: (i) AOUT notifies SWBI of its proposal to take such action and AOUT and SWBI obtain a ruling from the IRS to the effect that such action will not affect the Tax-Free Status of the Transactions, provided that AOUT agrees in writing to bear any expenses associated with obtaining such a ruling and, provided further that AOUT shall not be relieved of any liability under Section 2.01 of this Agreement by reason of seeking or having obtained such a ruling; or (ii) AOUT notifies SWBI of its proposal to take such action and obtains, at its own expense, an unqualified opinion of counsel (A) from a Tax advisor recognized as an expert in federal income Tax matters and acceptable to SWBI in its sole discretion, (B) on which SWBI may rely, and (C) to the effect that such action "will" not affect the Tax-Free Status of the Transactions, provided that AOUT shall not be relieved of any liability under Section 2.01 of this Agreement by reason of having obtained such an opinion.

ARTICLE IV
COOPERATION

Section 4.01. General Cooperation. The Parties shall each cooperate fully with all reasonable requests in writing from the other Party, or from an agent, representative or advisor to such Party, in connection with the preparation and filing of Tax Returns, claims for Tax refunds, Tax proceedings, and calculations of amounts required to be paid pursuant to this Agreement, in each case, related or attributable to or arising in connection with Taxes of any of the Parties covered by this Agreement and the establishment of any reserve required in connection with any financial reporting (a "Tax Matter"). Such cooperation shall include the provision of any information reasonably necessary or helpful in connection with a Tax Matter and shall include, at each Party's own cost:

(a) the provision of any Tax Returns of the Parties, books, records (including information regarding ownership and Tax basis of property), documentation and other information relating to such Tax Returns, including accompanying schedules, related work papers, and documents relating to rulings or other determinations by Tax Authorities;

(b) the execution of any document (including any power of attorney) in connection with any Tax proceedings of any of the Parties, or the filing of a Tax Return or a Tax refund claim of the Parties;

(c) the use of the Party's reasonable best efforts to obtain any documentation in connection with a Tax Matter; and

(d) the use of the Party's reasonable best efforts to obtain any Tax Returns (including accompanying schedules, related work papers, and documents), documents, books, records or other information in connection with the filing of any Tax Returns of any of the Parties.

Each Party shall make its employees, advisors, and facilities available, without charge, on a reasonable and mutually convenient basis in connection with the foregoing matters.

Section 4.02. Retention of Records. SWBI and AOUT shall retain or cause to be retained all Tax Returns, schedules and workpapers, and all material records or other documents relating thereto in their possession, until sixty (60) days after the expiration of the applicable statute of limitations (including any waivers or extensions thereof) of the taxable periods to which such Tax Returns and other documents relate or until the expiration of any additional period that any Party reasonably requests, in writing, with respect to specific material records or documents. A Party intending to destroy any material records or documents required to be retained pursuant to this Section 4.02 shall provide the other Party with reasonable advance notice and the opportunity to copy or take possession of such records and documents. The Parties hereto will notify each other in writing of any waivers or extensions of the applicable statute of limitations that may affect the period for which the foregoing records or other documents must be retained.

ARTICLE V
MISCELLANEOUS

Section 5.01. Tax Sharing Agreements. All Tax sharing, indemnification and similar agreements, written or unwritten, as between SWBI, on the one hand, and AOUT, on the other (other than this Agreement and any other Transaction Document), shall be or shall have been terminated no later than the Effective Time and, after the Effective Time, neither SWBI nor AOUT shall have any further rights or obligations under any such Tax sharing, indemnification or similar agreement.

Section 5.02. Interest on Late Payments. With respect to any payment between the Parties pursuant to this Agreement not made by the due date set forth in this Agreement for such payment, the outstanding amount will accrue interest at a rate per annum equal to the rate in effect for underpayments under Section 6621 of the Code from such due date to and including the payment date.

Section 5.03. Survival of Covenants. Except as otherwise contemplated by this Agreement, all covenants and agreements of the Parties contained in this Agreement shall survive the Effective Time and remain in full force and effect in accordance with their applicable terms; provided, however, that the representations and warranties and all indemnification for Taxes shall survive until sixty (60) days following the expiration of the applicable statute of limitations (taking into account all extensions thereof), if any, of the Tax that gave rise to the indemnification; provided, further, that, in the event that notice for indemnification has been given within the applicable survival period, such indemnification shall survive until such time as such claim is finally resolved.

Section 5.04. Termination. Notwithstanding any provision to the contrary, this Agreement may be terminated and the Distribution abandoned at any time prior to the Effective Time by and in the sole discretion of SWBI without the prior approval of any Person, including AOUT. In the event of such termination, this Agreement shall become void and no party, or any of its officers and directors, shall have any liability to any Person by reason of this Agreement. After the Effective Time, this Agreement may not be terminated except by an agreement in writing signed by each of the Parties to this Agreement.

Section 5.05. Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced under any law or as a matter of public policy, all other conditions and provisions of this Agreement shall remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties to this Agreement shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated by this Agreement be consummated as originally contemplated to the greatest extent possible.

Section 5.06. Entire Agreement. Except as otherwise expressly provided in this Agreement, this Agreement constitutes the entire agreement of the Parties hereto with respect to the subject matter of this Agreement and supersedes all prior agreements and undertakings, both written and oral, between or on behalf of the Parties hereto with respect to the subject matter of this Agreement.

Section 5.07. Effective Date. This Agreement shall become effective only upon the occurrence of the Distribution.

Section 5.08. Dispute Resolution. In the event of any dispute relating to this Agreement, the Parties shall work together in good faith to resolve such dispute within thirty (30) days. In the event that such dispute is not resolved, upon written notice by a Party after such thirty (30)-day period, the matter shall be referred to a Tax counsel or other Tax advisor of recognized national standing (the "Tax Arbiter") that will be jointly chosen by SWBI and AOUT. The Tax Arbiter may, in its discretion, obtain the services of any third party necessary to assist it in resolving the dispute. The Tax Arbiter shall furnish written notice to the parties to the dispute of its resolution of the dispute as soon as practicable, but in any event no later than ninety (90) days after acceptance of the matter for resolution. Any such resolution by the Tax Arbiter shall be binding on the Parties, and the Parties shall take, or cause to be taken, any action necessary to implement such resolution. All fees and expenses of the Tax Arbiter shall be shared equally by the Parties.

Section 5.09. Other. Sections 1.2 (Interpretation), 6.1 (Notices), 6.2 (Amendments; No Waivers), 6.4 (Successors and Assigns) 6.5 (Governing Law), 6.6 (Counterparts; Effectiveness; Third-Party Beneficiaries), 6.9 (Jurisdiction), 6.10 (Waiver of Jury Trial), 6.14 (Captions), 6.15 (Interpretation), 6.16 (Specific Performance), and 6.17 (Performance) of the Separation Agreement are incorporated herein by reference, mutatis mutandis.

[Signature Page Follows]

IN WITNESS WHEREOF the Parties hereto have caused this Agreement to be duly by their respective authorized officers as of the date first above written.

SMITH & WESSON BRANDS, INC.

By: */s/ Mark P. Smith*
Name: Mark P. Smith
Title: President and Chief Executive Officer

AMERICAN OUTDOOR BRANDS, INC.

By: */s/ Brian D. Murphy*
Name: Brian D. Murphy
Title: President and Chief Executive Officer

Exhibit 10.3

EMPLOYEE MATTERS AGREEMENT

by and between

SMITH & WESSON BRANDS, INC.

and

AMERICAN OUTDOOR BRANDS, INC.

Dated as of August 21, 2020

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EMPLOYEE MATTERS AGREEMENT

THIS EMPLOYEE MATTERS AGREEMENT (this "Agreement") is made and entered into as of August 21, 2020, by and between Smith & Wesson Brands, Inc., a Nevada corporation ("SWBI"), and American Outdoor Brands, Inc., a Delaware corporation ("AOUT" and with SWBI each, individually, a "Party," and, collectively, the "Parties"). Capitalized terms used in this Agreement, but not defined, shall have the meanings ascribed to them in the Separation and Distribution Agreement, dated as of August 21, 2020, by and between SWBI and AOUT (as amended from time to time, the "Separation and Distribution Agreement").

RECITALS

WHEREAS, pursuant to the Separation and Distribution Agreement, SWBI shall be separated into two separate, publicly traded companies, one for each of (i) the Firearm Business (as defined in the Separation and Distribution Agreement), which shall be owned and conducted, directly or indirectly, by SWBI, and (ii) the Outdoor Products and Accessories Business (as defined in the Separation and Distribution Agreement), which shall be owned and conducted, directly or indirectly, by AOUT; and

WHEREAS, each of SWBI and AOUT has determined that it is necessary and desirable to enter into this Agreement in order to allocate, assign, or transfer, as applicable, to the appropriate Party, assets, responsibilities, liabilities, and obligations with respect to employee compensation, benefits, labor, and certain other employment matters associated with personnel of the Outdoor Products and Accessories Business and the Firearm Business, pursuant to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing, the mutual agreements, provisions, and covenants contained in this Agreement, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, AOUT and SWBI hereby agree as follows:

ARTICLE 1
DEFINITIONS

Section 1.1 Definitions. As used in this Agreement, the following terms shall have the meanings indicated below:

"Adjusted SWBI Option" has the meaning set forth in Section 3.2(b).

"Adjusted SWBI PSU" has the meaning set forth in Section 3.4.

"Adjusted SWBI RSU" has the meaning set forth in Section 3.3(a).

"Affiliate" has the same meaning as set forth in the Separation and Distribution Agreement. For the avoidance of doubt, on and after the Distribution Time, no member of the SWBI Group shall be deemed to be an Affiliate of any member of the AOUT Group and no member of the AOUT Group shall be deemed to be an Affiliate of any member of the SWBI Group.

"Agreement" has the meaning set forth in the preamble to this Agreement.

"AOUT" has the meaning set forth in the preamble to this Agreement.

"AOUT 401(k) Plan" has the meaning set forth in Section 2.8(a).

"AOUT 401(k) Plan Effective Date" has the meaning set forth in Section 2.8(a).

"AOUT Employee" means each Employee who performs services exclusively for and is allocated to the Outdoor Products and Accessories Business and is either (a) employed by a member of the AOUT Group as of the Distribution Time, or (b) who is transferred to a member of the AOUT Group pursuant to Section 2.1 or Section 2.2 after the Distribution Time.

"AOUT Equity Awards" means those awards granted under the AOUT Equity and Incentive Plan in accordance with the provisions in Article 3 hereof.

"AOUT Equity and Incentive Plan" means the American Outdoor Brands, Inc. 2020 Incentive Stock Plan, as amended from time to time.

"AOUT Former Employee" means (i) prior to the Distribution Time, any individual who, performed services exclusively for and was allocated to the Outdoor Products and Accessories Business but prior to the Distribution Time retired or otherwise separated from service with SWBI and its Subsidiaries and Affiliates, and (ii) on or after the Distribution Time, any AOUT Employee that ceases performing services for the AOUT Group for any reason (other than on account of approved leaves of absences).

"AOUT Group" means (a) prior to the Distribution Time, AOUT and each Person that will be a Subsidiary or Affiliate of AOUT immediately after the Distribution Time; and (b) on and after the Distribution Time, AOUT and each Person that is a Subsidiary or Affiliate of AOUT.

"AOUT Group Welfare Plans" has the meaning set forth in Section 2.9(a).

"AOUT Option" has the meaning set forth in Section 3.2(b).

"AOUT Participant" means an AOUT Employee, an AOUT Former Employee, and any eligible dependent or beneficiary thereof who participates or is eligible to participate in any AOUT Plan.

"AOUT Plan" means each Plan that is sponsored, maintained, or contributed to or required to be contributed to by any member of the AOUT Group that does not also cover any SWBI Employee, including, without limitation, the AOUT Equity and Incentive Plan, the AOUT 401(k) Plan and the AOUT Group Welfare Plans.

"AOUT Post-Distribution Share Value" means the average of the closing share price of the common stock of AOUT on Nasdaq for the five (5) trading days immediately following the Distribution Time.

"AOUT PSU" has the meaning set forth in Section 3.4.

"AOUT Ratio" means the quotient obtained by dividing the AOUT Post-Distribution Share Value by the SWBI Pre-Distribution Share Value.

"AOUT RSU" has the meaning set forth in Section 3.3(a).

"Applicable Law" has the meaning set forth in the Separation and Distribution Agreement.

"COBRA" means the U.S. Consolidated Omnibus Budget Reconciliation Act of 1985, as codified at Section 601 et seq. of ERISA and at Section 4980B of the Code.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Code Section 409A" means Section 409A of the Code and the regulations and guidance promulgated thereunder.

"Deferred RSU" means each outstanding SWBI RSU that is subject to an election by the holder to defer receipt of the shares of common stock of SWBI upon settlement of such SWBI RSU until separation from service with the SWBI Group, determined immediately prior to the Distribution Date.

"Designated Executive" has the meaning set forth in Section 3.3(a).

"Distribution" has the meaning set forth in the Separation and Distribution Agreement.

"Distribution Date" has the meaning set forth in the Separation and Distribution Agreement.

"Distribution Ratio" means one share of AOUT common stock for every four shares of SWBI common stock.

"Distribution Time" has the meaning set forth in the Separation and Distribution Agreement.

"Employee" means any individual who is an employee of SWBI or any of its Subsidiaries and Affiliates (including, for the avoidance of doubt, AOUT and its Subsidiaries) immediately before the Distribution Time, including active employees and employees on vacation and approved leave of absence (including maternity, paternity, family, sick, short-term or long-term disability leave, qualified military service under the Uniformed Services Employment and Reemployment Rights Act of 1994, leave under the Family Medical Leave Act, and other approved leaves).

"Employee Record" has the meaning set forth in Section 4.4.

"Employment Claim" means any actual or threatened action, lawsuit, charge, complaint, audit, inquiry, investigation, grievance, arbitration, claim (including ERISA claims), or federal, state, or local judicial or administrative proceeding of whatever kind involving a demand by, on behalf of, or relating to an Employee, Former Employee, or current or former independent contractor, or by or relating to any federal, state, or local Governmental Authority alleging Liability against a Party or against a Party's pension, welfare, or other benefit plan, or such plan's administrator, trustee, or fiduciary.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, or any successor legislation.

"Firearm Business" has the meaning set forth in the Separation and Distribution Agreement.

"Former Employee" means any individual who was employed by SWBI or any of its Subsidiaries (including, for the avoidance of doubt, AOUT and its Subsidiaries) at any time prior to the Distribution Time but who is not an Employee on or after such Distribution Time.

"IRS" means the Internal Revenue Service.

"Liabilities" has the meaning set forth in the Separation and Distribution Agreement.

"Monheit RSU" has the meaning set forth in Section 3.3(c).

"New Employer RSU" has the meaning set forth in Section 3.3(b).

"Other Employee" has the meaning set forth in Section 3.3(b).

"Outdoor Products and Accessories Business" has the meaning set forth in the Separation and Distribution Agreement.

"Party" and "Parties" have the meanings set forth in the preamble to this Agreement.

"Plan" means, with respect to any entity, each plan, program, policy, arrangement, contract or agreement that is maintained primarily for the benefit of employees (and their dependents and beneficiaries) providing employee benefits, including, without limitation, employee benefit plans as defined in Section 3(3) of ERISA, executive compensation, bonuses, equity and/or equity based compensation, profit sharing, savings, retirement, severance pay, salary continuation, medical, dental, vision, life, disability, sick leave, vacation pay, and other fringe benefits, whether formal or informal or written or unwritten, which is sponsored, maintained, or contributed by such entity or to which such entity is a party or under which such entity has any obligation. Notwithstanding the foregoing, the term "Plan" as used in this Agreement does not include (i) the SWBI Equity and Incentive Plan; (ii) any SWBI Equity Award; (iii) the AOUT Equity and Incentive Plan; (iv) any AOUT Equity Award; (v) any employment agreements; and (vi) any contract, agreement, or understanding relating to settlement of actual or potential employment claims.

"PTO" has the meaning set forth in Section 2.11.

"Record Date" has the meaning set forth in the Separation and Distribution Agreement.

"Scott RSU" has the meaning set forth in Section 3.3(c).

"SWBI" has the meaning set forth in the preamble to this Agreement.

"SWBI 401(k) Plan" has the meaning set forth in Section 2.8(a).

"SWBI Board" means the Board of Directors of SWBI or a duly authorized committee thereof.

"SWBI Employee" means each Employee who performs services exclusively for and is allocated to the Firearm Business and who is either (a) employed by a member of the SWBI Group as of the Distribution Time or (b) who is transferred to a member of the SWBI Group after the Distribution Time pursuant to Section 2.2 after the Distribution Time.

"SWBI Equity and Incentive Plan" means the Smith & Wesson Brands, Inc. 2013 Incentive Stock Plan, as amended from time to time.

"SWBI Equity Awards" means the SWBI Restricted Stock, the SWBI RUSs and the SWBI Options.

"SWBI Former Employee" means (i) prior to the Distribution Time, any individual who, performed services exclusively for and was allocated to the Firearm Business but prior to the Distribution Time retired or otherwise separated from service with SWBI and its Subsidiaries and Affiliates, and (ii) on or after the Distribution Time, any SWBI Employee that ceases performing services for the SWBI Group for any reason (other than on account of approved leaves of absences).

"SWBI Group" means SWBI and each Person that is a direct or indirect Subsidiary or Affiliate of SWBI (other than any member of the AOUT Group).

"SWBI Group Welfare Plans" means the SWBI Plans providing medical, dental, vision, health care spending accounts, disability, life, and similar welfare benefits and is an "employee welfare benefit plan" as described in Section 3(1) of ERISA.

"SWBI Option" means each outstanding option to purchase shares of the common stock of SWBI, whether vested or unvested, granted under the SWBI Equity and Incentive Plan, determined immediately prior to the Distribution Time.

"SWBI Participant" means a SWBI Employee, a SWBI Former Employee, and any eligible dependent or beneficiary thereof who participates or is eligible to participate in a SWBI Plan.

"SWBI Plan" means each Plan that is sponsored, maintained, contributed to, or required to be contributed to by any member of the SWBI Group, including, without limitation, the SWBI Equity and Incentive Plan, the SWBI 401(k) Plan, and the SWBI Group Welfare Plans, but not including any AOUT Plan.

"SWBI Post-Distribution Share Value" means the average of the closing share price of the common stock of SWBI on Nasdaq for the five (5) trading days immediately following the Distribution Time.

"SWBI Pre-Distribution Share Value" means the average of the closing share price of the common stock of SWBI on Nasdaq on the last five (5) trading days immediately preceding the Distribution Time.

"SWBI PSUs" means each outstanding performance-based restricted stock unit award with respect to the shares of the common stock of SWBI, whether vested or unvested, granted under the SWBI Equity and Incentive Plan, determined immediately prior to the Distribution Time.

"SWBI Ratio" means the quotient obtained by dividing the SWBI Post-Distribution Share Value by the SWBI Pre-Distribution Share Value.

"SWBI RSU" means each outstanding restricted stock unit award with respect to the shares of the common stock of SWBI, whether vested or unvested, granted under the SWBI Equity and Incentive Plan, determined immediately prior to the Distribution Time.

"Separation and Distribution Agreement" has the meaning set forth in the preamble to this Agreement.

"Tax" or "Taxes" has the meaning set forth in the Tax Matters Agreement.

"Tax Matters Agreement" means the Tax Matters Agreement, dated as of the date hereof between SWBI and AOUT, as such agreement may be amended, amended and restated, supplemented, or modified from time to time. "WARN Act" has the meaning set forth in Section 4.5.

"Wadecki RSU" has the meaning set forth in Section 3.3(c).

"Workers Compensation Event" means the event, injury, illness, or condition giving rise to a workers' compensation claim.

Section 1.2 Certain Constructions. References to the singular in this Agreement shall refer to the plural and vice-versa, and references to the masculine shall refer to the feminine and vice-versa.

Section 1.3 Sections. References to a "Section" are, unless otherwise specified, to one of the Sections of this Agreement.

Section 1.4 Distribution Time. This Agreement shall be effective as of the Distribution Time.

ARTICLE 2
ALLOCATION OF EMPLOYEES AND LIABILITIES; EMPLOYEE BENEFITS

Section 2.1 Transfer of Employment of Certain AOUT Employees. SWBI and AOUT will cause the employment of each AOUT Employee who is not employed by a AOUT Group member as of the date hereof to be transferred to an AOUT Group member prior to the Distribution Time.

Section 2.2 Re-Allocation of Employees. If the Parties mutually agree after the Distribution Time that an Employee or individual independent contractor was incorrectly allocated to the SWBI Group or the AOUT Group (or was incorrectly employed or engaged by a member of the SWBI Group or the AOUT Group as of the Distribution Time), the Parties shall use their reasonable best efforts to correct such misallocation as appropriate (including by transferring the employment or engagement opportunity of such AOUT Employee or SWBI Employee (as applicable) or individual independent contractor to the applicable member of the applicable group or by offering employment or an engagement opportunity to such AOUT Employee, SWBI Employee, or individual independent contractor), and, to the extent possible, such correction shall be effective as of the Distribution Time.

Section 2.3 Employee Liabilities Generally.

(a) From and after the Distribution Time, SWBI or a member of the SWBI Group hereby assumes or retains, and shall be responsible for paying, performing, fulfilling, and discharging in accordance with their respective terms, (i) all Liabilities or obligations expressly assigned to or assumed by a member of the SWBI Group under this Agreement; and (ii) except as otherwise expressly provided for herein or in the Separation and Distribution Agreement, all Liabilities with respect to the employment (including the termination thereof), compensation, and employee benefits of all (x) SWBI Employees, (y) SWBI Former Employees, and (z) all independent contractors, temporary employees, consultants, freelancers, agency employees, leased employees, or other non-payroll workers allocated to the Firearm Business, in each case, and their respective dependents and beneficiaries (and any alternate payees in respect thereof), whenever incurred. Such Liabilities are assumed or retained regardless of when such Liabilities arose or arise, or whether the facts on which they are based occurred prior to or subsequent to the Distribution Time, regardless of where or against whom such Liabilities are asserted or determined and include, without limitation, (1) wages, salaries, incentive compensation, commissions, and bonuses, (2) any and all Liabilities with respect to Employment Claims made by or with respect to SWBI Employees or SWBI Former Employees or in connection with any SWBI Plan, and (3) all service-related Liabilities to any individual who is or was an independent contractor, temporary employee, consultant, freelancer, agency employee, leased employee, or other non-payroll worker connected to the Firearm Business. All Liabilities assumed or retained by a member of the SWBI Group under this Section 2.3(a) shall be "SWBI Liabilities" for purposes of the Separation and Distribution Agreement.

(b) From and after the Distribution Time, AOUT or a member of the AOUT Group hereby assumes or retains, and shall be responsible for paying, performing, fulfilling, and discharging in accordance with their respective terms, (i) all Liabilities or obligations expressly assigned to or assumed by a member of the AOUT Group under this Agreement; and (ii) except as otherwise expressly provided for herein or in the Separation and Distribution Agreement, all Liabilities with respect to the employment (including the termination thereof), compensation, and employee benefits of all (x) AOUT Employees, (y) AOUT Former Employees, and (z) all independent contractors, temporary employees, consultants,

freelancers, agency employees, leased employees, or other non-payroll workers allocated to the Outdoor Products and Accessories Business, in each case, and their respective dependents and beneficiaries (and any alternate payees in respect thereof), whenever incurred. Such Liabilities are assumed or retained regardless of when such Liabilities arose or arise, or whether the facts on which they are based occurred prior to or subsequent to the Distribution Time, regardless of where or against whom such Liabilities are asserted or determined and include, without limitation, (1) wages, salaries, incentive compensation, commissions, and bonuses, (2) any and all Liabilities with respect to Employment Claims made by or with respect to AOUT Employees or AOUT Former Employees or in connection with any AOUT Plan, and (3) all service-related Liabilities to any individual who is or was an independent contractor, temporary employee, consultant, freelancer, agency employee, leased employee, or other non-payroll worker connected to the Outdoor Products and Accessories Business. All Liabilities assumed or retained by a member of the AOUT Group under this Section 2.3(b) shall be "AOUT Liabilities" for purposes of the Separation and Distribution Agreement.

Section 2.4 No Termination of Employment Intended as a Result of the Allocation of Employees. It is intended that no SWBI Employee and no AOUT Employee will experience a termination of employment for severance purposes or otherwise solely as a result of the transactions contemplated by the Separation and Distribution Agreement (including any transfer of employment effectuated in connection with those transactions). To the extent permitted by Applicable Law, no SWBI Employees and no AOUT Employees shall be entitled to any termination or severance payments or benefits as a result of such transactions or transfer, as applicable. SWBI shall, and shall cause other members of the SWBI Group (as applicable), and AOUT shall, and shall cause other members of the AOUT Group (as applicable), to cause any applicable Plan to be interpreted and administered consistent with such intent, to the greatest extent possible without breaching the applicable Plan.

Section 2.5 At-Will Employment. Nothing in this Agreement shall (a) create any obligation on the part of any member of the SWBI Group or the AOUT Group to continue the employment of any SWBI Employee or AOUT Employee following the date of this Agreement or the Distribution Time (except as required by Applicable Law) or (b) change the employment status of any SWBI Employee or AOUT Employee from "at-will," to the extent such SWBI Employee or AOUT Employee was an "at-will" employee under Applicable Law.

Section 2.6 Service Crediting.

(a) From and after the Distribution Time, AOUT shall, and shall cause other members of the AOUT Group (as applicable) to, recognize each AOUT Employee's service prior to the Distribution Time (including service with any member of the SWBI Group prior to the Distribution Time) for all purposes, including purposes of eligibility, vesting, and level of paid time off or severance benefits under any AOUT Plan, to the same extent and for the same purpose such service was recognized as of the Distribution Time under the corresponding SWBI Plan. Notwithstanding the foregoing, nothing herein shall require the AOUT Group or any equity compensation plan or arrangement maintained by the AOUT Group after the Distribution Time to credit service prior to the Distribution Time for purposes of any equity award or other equity-based benefit or equity-based compensation that may be established by the AOUT Group at any time at or after the Distribution Time.

(b) Notwithstanding anything to the contrary in this Agreement, or the Separation and Distribution Agreement, no Employee shall receive service credit or benefits to the extent that receipt of such service credit or benefits would result in duplication of benefits provided by another SWBI Plan or AOUT Plan.

Section 2.7 Continuity of Benefits and Coverage. It is the intention of SWBI and AOUT that there be uninterrupted employee benefit plan participation and coverage for SWBI Employees and AOUT Employees, notwithstanding the transactions contemplated by the Separation and Distribution Agreement, this Agreement, or any other Ancillary Agreement. Therefore, SWBI and AOUT shall use their reasonable best efforts to cause there to be no interruption of coverage with respect to the type of employee benefits or coverage being provided to such Employees immediately prior to the Distribution Time.

Section 2.8 Establishment and Spinoff of 401(k) Plan.

(a) Effective as of the Distribution Time (the "AOUT 401(k) Plan Effective Date"), (i) AOUT (or a designated member of the AOUT Group) shall have adopted a defined contribution plan that contains a cash or deferred arrangement within the meaning of Section 401(k) of the Code and is intended to be qualified under Section 401(a) of the Code (the "AOUT 401(k) Plan"), and (b) each member of the AOUT Group shall no longer be a participating employer in the SWBI 401(k) Plan (the "SWBI 401(k) Plan"). The AOUT 401(k) Plan is intended to have terms and features (including employer contribution provisions) substantially similar to the SWBI 401(k) Plan for the applicable AOUT Employees.

(b) Upon the 401(k) Plan Effective Date, all AOUT Employees who, immediately prior to such time, were participants in or otherwise eligible to participate in a SWBI 401(k) Plan shall be immediately eligible to participate in the corresponding AOUT 401(k) Plan with respect to compensation paid after the 401(k) Plan Effective Date.

(c) As soon as practicable after the 401(k) Plan Effective Date, SWBI shall cause the accounts of AOUT Employees under the SWBI 401(k) Plan, including promissory notes evidencing outstanding loans of AOUT Employees, and the value of assets attributable to such accounts of AOUT Employees to be transferred to the AOUT 401(k) Plan in a "transfer of assets or liabilities" in accordance with Section 414(l) of the Code and Section 208 of ERISA and the respective rules and regulations promulgated thereunder. The assets so transferred shall be in the form of cash or other property, as SWBI and AOUT shall mutually agree prior to such transfer. Prior to such transfer, AOUT shall provide SWBI with such documents and other information as SWBI shall reasonably request to assure itself that the AOUT 401(k) Plans and the related trusts established pursuant thereto (i) are qualified and tax-exempt under Sections 401(a) and 501(a) of the Code, respectively, and (ii) contain participant loan provisions and procedures necessary to effect the orderly transfer of participant loan balances associated with the transfer of assets. Prior to the transfer, SWBI and AOUT shall (or shall cause the applicable member(s) of their Group to) notify the IRS of the transfer by timely filing Forms 5310-A, to the extent such filings are required, and SWBI shall provide to AOUT copies of such personnel and other records of SWBI pertaining to the AOUT Employees and such records of any agent or representative of SWBI pertaining to the AOUT Employees, in each case, pertaining to the SWBI 401(k) Plans and as AOUT may reasonably request in order to administer and manage the accounts and assets transferred to the AOUT 401(k) Plans. Upon such transfer, AOUT and each member of the AOUT Group and the AOUT 401(k) Plans shall assume all assets, liabilities, and obligations with respect to all amounts transferred (including loans) from the SWBI 401(k) Plans to the AOUT 401(k) Plans in respect of the AOUT Employees, including any employer contributions required to have been made on behalf of the AOUT Employees for periods prior to the Distribution Time, and SWBI and each member of the SWBI Group and the SWBI 401(k) Plan shall be relieved of all such assets, liabilities, and obligations.

Section 2.9 Group Health and Welfare Plan Continuation Coverage.

(a) AOUT Group Welfare Plans. As of the Distribution Time, AOUT (or a designated member of the AOUT Group) shall take, or cause to be taken, all actions necessary and appropriate to establish substantially similar plans of the SWBI Group Welfare Plans in existence immediately prior to the Distribution Time (collectively, the "AOUT Group Welfare Plans") to provide benefits thereunder for all eligible AOUT Participants effective as of the Distribution Time. As of the Distribution Time, each member of the AOUT Group shall no longer be a participating employer in the SWBI Group Welfare Plans. With respect to any Liabilities relating to or arising in connection with claims incurred under an AOUT Group Welfare Plan by AOUT Participants from and after the effective date of such AOUT Group Welfare Plan, including claims that are self-insured and claims that are fully insured through third party insurance, AOUT and the applicable AOUT Group Welfare Plan shall be solely responsible for such Liabilities. For the avoidance of doubt, the SWBI Group shall remain liable for any Liabilities relating to or arising in connection with claims by an AOUT Employee or AOUT Former Employee (or any of their dependents or beneficiaries) that occurred prior to the Distribution Time and, thus, under a SWBI Group Welfare Plan.

(b) COBRA Continuation Coverage. From and after the Distribution Time, (A) the SWBI Group shall assume or retain and shall be solely responsible for, or cause the SWBI Group Welfare Plans, as applicable (and applicable insurance carriers) to be responsible for, the continuation coverage requirements imposed by COBRA as they relate to any SWBI Participant or Former Employee, and no member of the AOUT Group shall have any liability or obligation with respect thereto; and (B) the AOUT Group shall assume or retain and shall be solely responsible for, or cause the AOUT Group Welfare Plans, as applicable (and applicable insurance carriers) to be responsible for, COBRA continuation coverage requirements as they relate to any AOUT Participant, and no member of the SWBI Group shall have any liability or obligation with respect thereto.

Section 2.10 Disability Plans. Each SWBI Participant and AOUT Participant who became disabled, as defined under a SWBI Welfare Plan that provides short-or long-term disability benefits prior to the Distribution Time, shall be eligible or continue to be eligible for such benefits under the applicable SWBI Welfare Plan in accordance with the terms and conditions of such SWBI Welfare Plan; provided that AOUT shall be responsible for reimbursing SWBI for any self-insured short-term disability benefits with respect to such disabled AOUT Employee for the period after the Distribution Time until such time as those short-term disability benefits terminate in accordance with the terms of such SWBI Welfare Plan. In the event any such disabled AOUT Employee becomes eligible to transition directly from receiving short-term disability benefits to receiving long-term disability benefits either before or as of the Distribution Time under the applicable SWBI Welfare Plan, SWBI and the applicable SWBI Welfare Plan shall provide the long-term disability benefits to which such disabled AOUT Employee is entitled (taking into account, if applicable, the extent to which such employee has elected such coverage and has made the required contributions therefor). As of the Distribution Time, AOUT or a member of the AOUT Group shall take, or cause to be taken, all action necessary and appropriate to establish or designate and administer short- and long-term disability plans to provide benefits thereunder for all eligible AOUT Employees (and their eligible dependents and beneficiaries).

Section 2.11 Vacation and Paid Time Off. Effective as of the Distribution Time, the AOUT Group shall assume all Liabilities with respect to vacation, holiday, sick leave, paid time off, personal days, and other paid time off (collectively, "PTO") with respect to AOUT Employees and AOUT Former Employees accrued on or prior to the Distribution Time and AOUT shall credit AOUT Employees and AOUT Former Employees with such accrual; provided that if under Applicable Law, any such accrued PTO is required to be paid out as of the Distribution Time to any AOUT Employee or AOUT Former Employee, such payment will be made by AOUT in lieu of the crediting of the accrual to such AOUT Employee or AOUT Former Employee. For the avoidance of doubt, the SWBI Group shall retain all Liabilities with respect to accrued PTO attributable to SWBI Employees and SWBI Former Employees.

Section 2.12 Insurance Contracts and Third-Party Vendor Agreements. To the extent any Plan is funded (in whole or in part) through the purchase of an insurance contract, SWBI and AOUT shall cooperate, and each shall use its commercially reasonable efforts to effectuate the provisions of this Agreement in relation to such contract and to obtain any necessary consents and maintain any pricing discounts or other preferential terms for both SWBI (or the applicable member of the SWBI Group) and AOUT (or the applicable member of the AOUT Group) for a reasonable term. To the extent any Plan is administered by a third-party vendor, SWBI and AOUT shall cooperate, and each shall use its commercially reasonable efforts to replicate any contract with such third-party vendor for SWBI (or the applicable member of the SWBI Group) or AOUT (or the applicable member of the AOUT Group), as applicable, and to maintain any pricing discounts or other preferential terms for both SWBI (or the applicable member of the SWBI Group) and AOUT (or the applicable member of the AOUT Group) for a reasonable term. Neither SWBI nor AOUT shall be liable for failure to obtain consents, new insurance or administrative contracts, pricing discounts, or other preferential terms for the other Party or the applicable member of its Group. Each Party shall be responsible for any new or additional premiums, charges, or administrative fees that such Party may incur with respect to its insurance coverage or contracts pursuant to this Agreement.

Section 2.13 Reimbursements. The Parties acknowledge that the SWBI Group, on the one hand, and the AOUT Group, on the other hand, may incur costs and expenses, including, but not limited to, contributions to Plans and the payment of insurance premiums or vendor fees or expenses arising from or related to any of the Plans which are, as set forth in this Agreement, the responsibility of the other Party. Accordingly, the SWBI Group and the AOUT Group shall reimburse each other, as soon as practicable, but in any event within thirty (30) days of receipt from the other Party of appropriate verification, for all such costs, fees, and expenses.

Section 2.14 No Duplication of Benefits; Service and Other Credit. SWBI and AOUT shall adopt, or cause to be adopted, all reasonable and necessary amendments and procedures to prevent AOUT Participants from receiving duplicative benefits from the SWBI Plans and the AOUT Plans. With respect to AOUT Employees, each AOUT Plan shall provide that for purposes of determining eligibility to participate, vesting, and entitlement to benefits (but not for accrual of pension benefits under any defined benefit pension plan), service prior to the Distribution Time with a SWBI Group member shall be treated as service with the applicable AOUT Group member. Such service also shall apply for purposes of satisfying any waiting periods, evidence of insurability requirements, or the application of any preexisting condition limitations under any AOUT Plan. Each AOUT Plan shall, to the extent practicable, waive pre-existing condition limitations with respect to AOUT Employees. AOUT shall honor any deductible, co-payment, and out-of-pocket maximums incurred by the AOUT Employees and their eligible dependents under the SWBI Plans in which they participated immediately prior to the Distribution Time during the portion of the calendar year prior to the Distribution Time in satisfying any deductibles, co-payments, or out-of-pocket maximums under the AOUT Plans in which they are eligible to participate after the Distribution Time in the same plan year in which such deductibles, co-payments, or out-of-pocket maximums were incurred. With respect to the AOUT Group Welfare Plan that is a flexible spending account plan, SWBI shall cause the accounts of AOUT Participants who are participating in the flexible spending accounts under the SWBI Group Welfare Plans to be transferred to the flexible spending account plan under the AOUT Group Welfare Plans. SWBI and AOUT will work together in good faith to facilitate any necessary transition.

Section 2.15 Workers' Compensation. The SWBI Group shall be solely responsible for all workers' compensation claims of (i) AOUT Employees and AOUT Former Employees with respect to Workers' Compensation Events occurring before the Distribution Time, and (ii) SWBI Employees and SWBI Former Employees regardless of when the Workers' Compensation Events occur. The AOUT Group shall be solely responsible for workers' compensation claims of AOUT Employees and AOUT Former Employees with respect to Workers' Compensation Events occurring on or after the Distribution Time, except for claims that are defined by individual state workers' compensation boards as "cumulative trauma" claims.

Section 2.16 Annual Bonuses. The SWBI Group shall be solely responsible for all annual bonuses earned by SWBI Employees and SWBI Former Employees (i.e., accrued but unpaid bonuses for SWBI Former Employees) with respect to periods ending on or after May 1, 2020. The AOUT Group shall be solely responsible for all annual bonuses earned by AOUT Employees and AOUT Former Employees (i.e., accrued but unpaid bonuses for AOUT Former Employees) with respect to periods ending on or after May 1, 2020.

ARTICLE 3
INCENTIVE COMPENSATION PLANS AND ARRANGEMENTS

Section 3.1 General Principles.

(a) SWBI and AOUT shall take any and all reasonable actions as will be necessary and appropriate to further the provisions of this Article 3, including, to the extent practicable, providing written notice or similar communication to each Employee or director who holds one or more SWBI Equity Awards granted under the SWBI Equity and Incentive Plan informing such Employee or director, as applicable, of (i) the actions contemplated by this Article 3 with respect to such SWBI Equity Awards and (ii) whether (and during what time period) any "blackout" period will be imposed upon holders of SWBI Equity Awards granted under the SWBI Equity and Incentive Plan during which time such SWBI Equity Awards may not be exercised or settled, as the case may be.

(b) Prior to the Distribution Time, AOUT shall establish the AOUT Equity and Incentive Plan, so that upon the Distribution, AOUT shall have in effect an equity compensation plan containing substantially the same terms as the SWBI Equity and Incentive Plan under which any SWBI Equity Award was granted. From and after the Distribution Time, each AOUT Equity Award that was converted from an SWBI Equity Award shall be subject to the terms of the AOUT Equity and Incentive Plan and the award agreement governing such AOUT Equity Award to which the applicable holder is a party. From and after the Distribution Time, AOUT shall retain, pay, perform, fulfill, and discharge all Liabilities arising out of or relating to the AOUT Equity Awards.

(c) Following the Distribution Time, a holder who has outstanding equity-based awards under the SWBI Equity and Incentive Plan and/or replacement equity-based awards under the AOUT Equity and Incentive Plan shall be considered to have been employed by the applicable plan sponsor before and after the Distribution Time for purposes of vesting. For the avoidance of doubt, for purposes of the SWBI Equity Awards following the Distribution Time, an AOUT Employee's or directors' continued service with a member of the AOUT Group shall be deemed continued service with a member of the SWBI Group, and for purposes of the AOUT Equity Awards following the Distribution Time, an SWBI Employee's or director's continued service with a member of the SWBI Group shall be deemed continued service with a member of the AOUT Group.

(d) No SWBI Equity Award described in this Article 3, whether outstanding or to be issued, adjusted, substituted, or cancelled by reason of or in connection with the Distribution, will be adjusted, settled, cancelled, or exercisable, until in the judgment of the administrator of the applicable plan or program such action is consistent with all Applicable Laws. With respect to each outstanding SWBI Option, the period during which such SWBI Option is exercisable and the ultimate expiration date of the SWBI Option will not be extended.

(e) From and after the Distribution Time, all SWBI Equity Awards adjusted pursuant to this Article 3 shall be subject to the terms and conditions set forth in the applicable SWBI Equity and Incentive Plan or AOUT Equity and Incentive Plan and corresponding award agreements. Without limiting the generality of the foregoing, from and after the Distribution Time, all references to the applicable company in such SWBI Equity and Incentive Plan or AOUT Equity and Incentive Plan, as applicable, and other administrative provisions requiring interpretation will refer to the appropriate company to reflect the Distribution.

(f) Each of SWBI and AOUT shall establish an appropriate administration system in order to handle exercises and delivery of shares in an orderly manner and provide reasonable levels of service for equity award holders.

(g) The adjustment or conversion of SWBI Equity Awards shall be effectuated in a manner that is intended to avoid the imposition of any accelerated, additional, penalty, or other Taxes on the holders thereof pursuant to Section 409A of the Code.

Section 3.2 SWBI Options.

(a) General Principles. The adjustments provided for in this Section 3.2 with respect to the SWBI Options and AOUT Options (as defined in Section 3.2(b)) are intended to be effectuated in a manner compliant with Section 424(a) of the Code.

(b) Treatment of SWBI Options. Each SWBI Option shall be converted, as of the Distribution Time, into (i) an option to purchase shares of the common stock of SWBI, issued pursuant to the SWBI Equity and Incentive Plan (each such option, an "Adjusted SWBI Option"); and (ii) an option to purchase shares of the common stock of AOUT (each such option, an "AOUT Option") issued pursuant to the terms of the AOUT Equity and Incentive Plan.

(i) Adjusted SWBI Options. Subject to Section 3.1, each Adjusted SWBI Option will be subject to the same terms and conditions from and after the Distribution Time as the terms and conditions applicable to the corresponding SWBI Option immediately prior to the Distribution Time; provided, however, that (y) the per-share exercise price of each such Adjusted SWBI Option will be equal to (1) the per-share exercise price of the corresponding SWBI Option immediately prior to the Distribution Time multiplied by (2) the SWBI Ratio, rounded up to the second decimal place and (z) from and after the Distribution Time, each such Adjusted SWBI Option will remain exercisable until the date ninety (90) days immediately following the termination of employment or service of the holder of such Adjusted SWBI Option by either SWBI or AOUT, unless earlier terminated pursuant to the terms of any such Adjusted SWBI Option, including, without limitation, due to any termination of employment for cause (or other similar term in any applicable SWBI Equity and Incentive Plan).

(ii) AOUT Options. Subject to Section 3.1, each AOUT Option will be subject to the same terms and conditions from and after the Distribution Time as the terms and conditions applicable to the corresponding SWBI Option immediately prior to the Distribution Time; provided, however, that from and after the Distribution Time; provided, however, that (y) the per-share exercise price of each such AOUT Option will be equal to (1) the per-share exercise price of the corresponding SWBI Option immediately prior to the Distribution Time multiplied by (2) the AOUT Ratio, rounded up to the second decimal place and (z) from and after the Distribution Time, each such AOUT Option will remain exercisable until the date ninety (90) days immediately following the termination of employment or service of the holder of such AOUT Option by either SWBI or AOUT, unless earlier terminated pursuant to the terms of any such AOUT Option, including, without limitation, due to any termination of employment for cause (or other similar term in any applicable AOUT Equity and Incentive Plan).

Section 3.3 SWBI RSUs.

(a) Treatment of SWBI RSUs Held by Directors and Designated Executives. Except as set forth in Sections 3.3(b) and (c) of this Agreement, each SWBI RSU that is held by either a member of the SWBI Board or an Employee (or Former Employee) who holds, or will hold as of the Distribution Time, the title of Chief Executive Officer, Chief Financial Officer, Vice President of Investor Relations, or General Counsel of either SWBI or AOUT (each such individual, an "Designated Executive") shall be converted, as of the Distribution Time, into (i) a restricted stock unit award with respect to shares of the common stock of SWBI, issued pursuant to the SWBI Equity and Incentive Plan (each such restricted stock unit award, an "Adjusted SWBI RSU"); and (ii) a restricted stock unit award with respect to shares of the common stock of AOUT (each such restricted stock unit award, an "AOUT RSU") issued pursuant to the terms of the AOUT Equity and Incentive Plan, the number of shares subject to each such award to be determined in the same manner as for stockholders of SWBI based on the Distribution Ratio. Each Adjusted SWBI RSU and each AOUT RSU shall be subject to the same vesting requirements and dates and other terms and conditions as the SWBI RSUs to which they relate.

(b) Treatment of SWBI RSUs Held by Other Employees. Except as set forth in Sections 3.3(a) and (c) of this Agreement, each SWBI RSUs that is held by an individual who is not an Designated Executive (each, an "Other Employee") shall be converted, as of the Distribution Time, into a new restricted stock unit award with respect to shares of the common stock of either SWBI or AOUT, whichever shall be the employer of record of such Other Employee immediately after the Distribution Date (the "New Employer RSU"). The New Employer RSU shall be issued pursuant to the terms of the SWBI Equity and Incentive Plan or the AOUT Equity and Incentive Plan, as applicable, and the number of shares subject to each such New Employer RSU shall be determined based in such a manner such that the intrinsic value of the SWBI RSU immediately prior to the Distribution Time is the same as the intrinsic value of the New Employer RSUs, immediately after the Distribution Time. Each New Employer RSU shall be subject to the same vesting requirements and dates and other terms and conditions as the SWBI RSUs to which they relate.

(c) Treatment of Deferred RSUs. Each Deferred RSU shall be treated as follows: (i) with respect to the Deferred RSUs held by I. Marie Wadecki (the "Wadecki RSU"), such Wadecki RSU shall be settled prior to that certain Record Date immediately preceding the Distribution as Ms. Wadecki shall no longer be serving on the SWBI Board as of such Distribution Time and, therefore, the shares of common stock of SWBI subject to such Wadecki RSU shall be treated as any of share of common stock of SWBI in the Distribution; (ii) with respect to the Deferred RSUs held by Robert L. Scott (the "Scott RSU"), such Scott RSU shall be treated as if Mr. Scott was a Designated Executive and, therefore, shall be converted in accordance with the provisions set forth in Section 3.3(a) above; and (iii) with respect to the Deferred RSUs held by Barry M. Monehit (the "Monehit RSU"), such Monehit RSU shall be treated as if Mr. Monehit was a Designated Executive and, therefore, shall be converted in accordance with the provisions set forth in Section 3.3(a) above.

Section 3.4 SWBI PSUs. Each SWBI PSU shall be converted, as of the Distribution Time, into (i) a performance-based restricted stock unit award with respect to shares of the common stock of SWBI, issued pursuant to the SWBI Equity and Incentive Plan (each such performance-based restricted stock unit award, an "Adjusted SWBI PSU"); and (ii) a performance-based restricted stock unit award with respect to shares of the common stock of AOUT (each such performance-based restricted stock unit award, an "AOUT PSU") issued pursuant to the terms of the AOUT Equity and Incentive Plan, in each case, the number of target shares for each award to be determined in the same manner as for stockholders of SWBI based on the Distribution Ratio**.** Each Adjusted SWBI PSU and each AOUT PSU shall be subject to the substantially similar terms and conditions as the SWBI PSUs to which they relate, except that the performance criteria applicable to such awards shall be determined in accordance with the following: (x)

with respect to the Adjusted SWBI PSU, (1) the market cap of SWBI as compared to the Russell 2000 index ("RUT") for the first ninety (90) days after the date of grant, as compared to (2) the combined market cap of SWBI and AOUT as compared to the RUT for ninety (90) days immediately preceding the last day of the applicable performance period, and (y) with respect to the AOUT PSU, (1) the market cap of AOUT as compared to the RUT for the first ninety (90) days after the date of grant, as compared to (2) the combined market cap of SWBI and AOUT as compared to the RUT for ninety (90) days immediately preceding the last day of the applicable performance period.

Section 3.5 Tax Withholding, Reporting, and Deductions.

(a) The appropriate member of the SWBI Group shall be responsible for all payroll taxes, withholding, and reporting with respect to SWBI Equity Awards held by SWBI directors, SWBI Employees and SWBI Former Employees. The appropriate member of the AOUT Group shall be responsible for all payroll taxes, withholding, and reporting with respect to AOUT Equity Awards held by AOUT directors, AOUT Employees and AOUT Former Employees. SWBI and AOUT hereby designate the other party as an agent for withholding pursuant to IRS Revenue Procedure 70-6 and to accept such designation to effectuate the intent of this Section 3.5(a).

(b) With respect to the SWBI Equity Awards held by SWBI Employees or SWBI Former Employees, the appropriate member of the SWBI Group shall claim any federal, state, and/or local tax deductions after the Distribution Time, and no member of the AOUT Group shall claim any such deductions. With respect to the SWBI Equity Awards held by AOUT Employees or AOUT Former Employees, the appropriate member of the AOUT Group shall claim any federal, state, and/or local tax deductions after the Distribution Time, and no member of the SWBI Group shall claim any such deductions. If either SWBI or AOUT determines in its reasonable judgment that there is a substantial likelihood that a tax deduction that was assigned to the SWBI Group or the AOUT Group pursuant to this Section 3.5(b) will instead be available only to the other Party (whether as a result of a determination by the IRS or another tax authority, a change in the Code or the regulations or guidance thereunder, or otherwise), it shall notify the other Party and both Parties will negotiate in good faith to resolve the issue in accordance with the following principle: the Party entitled to the deduction shall pay to the other Party an amount that places the other Party in a financial position equivalent to the financial position the Party would have been in had the Party received the deduction as intended under this Section 3.5(b). Such amount shall be paid within 90 days after filing the last tax return necessary to make the determination described in the preceding sentence.

(c) Upon the exercise of an SWBI Option or AOUT Option, the exercise price of such stock option shall be remitted in cash by the option administrator to the issuer of the option (the appropriate member of the SWBI Group or the AOUT Group, as applicable) and the applicable withholding taxes shall be remitted in cash by the option administrator to the entity (the appropriate member of the SWBI Group or the AOUT Group, as applicable) responsible for payroll taxes, withholding, and reporting with respect to the option pursuant to this Section 3.5. Upon vesting or payment, as applicable, of SWBI or AOUT RSUs or PSUs, the applicable withholding shall be remitted in cash by the administrator to the entity (the appropriate member of the SWBI Group or the AOUT Group, as applicable) responsible for payroll taxes, withholding, and reporting with respect to such awards pursuant to this Section 3.5. To the extent necessary to provide the withholding amount in cash to the entity responsible for payroll taxes, withholding, and reporting, the issuer of the applicable award shall provide the withholding amount in cash. Notwithstanding the foregoing, the method of remittance of the exercise price of any stock option or any applicable withholding taxes may vary for legal or administrative reasons.

(d) If SWBI or AOUT determines in its reasonable judgment that any action required under this Article 3 will not achieve the intended tax, accounting, and legal results, including, without limitation, the intended results under Code Section 409A or FASB ASC Topic 718 – Stock Compensation, then at the request of SWBI or AOUT, as applicable, SWBI and AOUT shall mutually cooperate in taking such actions as are necessary or appropriate to achieve such results, or most nearly achieve such results if the originally intended results are not fully attainable.

(e) SWBI and AOUT each acknowledges and agrees to use commercially reasonable efforts to cooperate with each other and with third-party providers to effect withholding and remittance of Taxes, as well as required tax reporting, in a timely, efficient, and appropriate manner to further the purposes of this Article 3 and to administer all equity awards that are outstanding immediately following the Distribution Time (including all such equity awards that are adjusted in accordance with this Article 3) to the extent consistent with this Agreement and Applicable Law, for as long as is reasonably necessary to further the purposes of this Article 3.

ARTICLE 4
LABOR AND EMPLOYMENT MATTERS

Section 4.1 Payroll Reporting and Tax Withholding.

(a) Form W-2 Reporting. To the extent an Employee's employing entity changes as a result of the transactions contemplated by the Separation and Distribution Agreement, SWBI and AOUT shall use the "standard procedure" for preparing and filing IRS Forms W-2 (Wage and Tax Statements), as described in Revenue Procedure 2004-53, for the calendar year in which such change occurs. Under this procedure, each employing entity shall provide (subject to any applicable provisions of the Transition Services Agreement) all required Forms W-2 to report the wages paid and taxes withheld by it during the year in which the Distribution Time occurs. With respect to any issuances of SWBI Common Stock or AOUT Common Stock described above, the Employee's employing entity shall reflect such issuance and taxes withheld in connection with such issuance on the Form W-2 provided to such Employee by such employing entity during the year in which such issuance occurs. With respect to SWBI Employees and AOUT Employees outside of the United States, the Parties shall cooperate in good faith to obtain the same or similar results, to the extent possible, under applicable tax laws.

(b) Garnishments, Tax Levies, Child Support Orders, and Wage Assignments. With respect to any Employees with garnishments, tax levies, child support orders, or wage assignments in effect immediately prior to the Distribution Time, a member of the AOUT Group (with respect to AOUT Employees) or a member of the SWBI Group (with respect to SWBI Employees) shall, to the extent permitted by Applicable Law, honor such payroll deduction authorizations and shall continue to make payroll deductions and payments to the authorized payee, as specified by the court or governmental order which was filed prior to the Distribution Time.

(c) Authorizations for Payroll Deductions. Unless otherwise prohibited by this Agreement, any other Ancillary Agreement, a Plan document, or Applicable Law, with respect to Employees with authorizations for payroll deductions and direct deposits in effect immediately prior to the Distribution Time, a member of the AOUT Group (with respect to AOUT Employees) or a member of the SWBI Group (with respect to SWBI Employees) shall honor such payroll deduction authorizations and shall not require that such Employee submit a new authorization to the extent that the type of deduction does not differ from that made prior to the Distribution Time. Such deduction types include, without limitation, contributions to any Plan and direct deposit of payroll, employee relocation loans, and other types of authorized company receivables usually collectible through payroll deductions.

Section 4.2 Employment Policies and Practices. Subject to the provisions of the Transition Services Agreement, ERISA, and other Applicable Law, and unless otherwise specified in this Agreement, each member of the AOUT Group and the SWBI Group may, after the Distribution Time, adopt, continue, modify, or terminate such employment policies, compensation practices, retirement plans, welfare benefit plans, and other employee benefit plans of any kind or description, as each may determine, in its sole discretion, are necessary and appropriate, with respect to AOUT Employees and SWBI Employees, respectively.

Section 4.3 Leave of Absence Policies. Following the Distribution Time, the applicable members of the AOUT Group shall continue to apply the leave policies applicable to inactive AOUT Employees who are on an approved leave of absence as of the Distribution Time in accordance with the terms of such policies applicable to the AOUT Employees as of the Distribution Time. For purposes of such policies, to the extent allowed under Applicable Law, leaves of absence taken by AOUT Employees prior to the Distribution Time shall be deemed to have been taken as employees of the AOUT Group.

Section 4.4 Employee Records. The SWBI Group shall provide to the AOUT Group (a) any and all employment records and information (including, but not limited to, any personnel files, Form I-9, Form W-2, Form 1099, or other IRS forms) with respect to the AOUT Employees that are in the possession of any member of the SWBI Group that are reasonably required by the AOUT Group to enable the AOUT Group to properly employ the AOUT Employees and to carry out its obligations under this Agreement and Applicable Law ("Employee Record"); and (b) copies of any and all employment-related agreements, including, but not limited to, confidentiality agreements, restrictive covenants, arbitration agreements and employment-related acknowledgements to which any SWBI Employee is a party and under which the AOUT Group has any rights or obligations following the Distribution Time.

Section 4.5 WARN Act. The Parties shall cooperate in good faith so that no terminations of employment in connection with the transactions contemplated or undertaken by this Agreement or the Separation and Distribution Agreement have triggered or shall trigger any rights or obligations under the federal Worker Adjustment and Retraining Notification Act, or any other federal, state, or local Applicable Law addressing employment separations (collectively, the "WARN Act").

Section 4.6 Access to Employee Records. Following the Distribution Time and to the extent permitted by Applicable Law, AOUT shall permit SWBI access to Employee Records of AOUT Employees, to the extent reasonably necessary for SWBI's legitimate business purposes or to comply with Applicable Law, and SWBI shall permit AOUT access to Employee Records of SWBI Employees, to the extent reasonably necessary for AOUT's legitimate business purposes or to comply with Applicable Law.

Section 4.7 Protection of Personal Information. The Parties shall comply with all applicable confidentiality obligations and privacy laws that govern the personal information shared or otherwise made accessible following the Distribution Time. Each Party further agrees to use commercially reasonable efforts to protect any personal information of the other Party that it acquires or accesses following the Distribution Time.

ARTICLE 5
MISCELLANEOUS

Section 5.1 Relationship of Parties. Nothing in this Agreement shall be deemed or construed by the Parties or any third party as creating the relationship of principal and agent, partnership, or joint venture between the Parties, it being understood and agreed that no provision contained herein, and no act of the Parties, shall be deemed to create any relationship between the Parties other than the relationship set forth herein.

Section 5.2 Access to Information; Cooperation. The SWBI Group, the AOUT Group, and their authorized agents shall be given reasonable and timely access to and may take copies of all information relating to the subjects of this Agreement (to the extent not prohibited by Applicable Law) in the custody of the other Party, including any agent, contractor, subcontractor, or any other Person under the contract of such Party. The Parties shall provide one another with such information within the scope of this Agreement as is reasonably necessary to administer each Party's Plans or take the actions required of such Party under this Agreement. The Parties shall cooperate with each other to minimize the disruption caused by any such access and providing of information.

Section 5.3 Complete Agreement. This Agreement and any related provisions of the Transition Services Agreement and the Separation and Distribution Agreement shall constitute the entire agreement between the Parties with respect to the subject matter hereof and shall supersede all previous negotiations, commitments, and writings with respect to such subject matter.

Section 5.4 Counterparts. This Agreement may be executed in more than one counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more such counterparts have been signed by each of the Parties and delivered to the other Party.

Section 5.5 Survival. Except as otherwise contemplated by this Agreement or any Ancillary Agreement, all covenants and agreements of the Parties contained in this Agreement shall survive the Distribution Time and remain in full force and effect in accordance with its applicable terms.

Section 5.6 Notices. All notices, requests, claims, demands, and other communications under this Agreement shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service, or by registered or certified mail (postage prepaid, return receipt requested) to the respective Party at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 5.6):

To SWBI:

Smith & Wesson Brands, Inc.
2100 Roosevelt Avenue
Springfield, Massachusetts 01104
Email: rcicero@smith-wesson.com
Attn: General Counsel

with a copy to:

Greenberg Traurig, LLP
2375 East Camelback Road, Suite 700
Phoenix, Arizona 85016
Email: kantr@gtlaw.com
beckk@gtlaw.com
Attn: Robert S. Kant
Katherine A. Beck

To AOUT:

American Outdoor Brands, Inc.
1800 North Route Z
Columbia, Missouri 65202
Email: dbrown@aob.com
Attn: Chief Counsel

with a copy to:

Greenberg Traurig, LLP
2375 East Camelback Road, Suite 700
Phoenix, Arizona 85016
Email: kantr@gtlaw.com
beckk@gtlaw.com
Attn: Robert S. Kant
Katherine A. Beck

Section 5.7 Waivers. The failure of any Party to require strict performance by the other Party of any provision in this Agreement shall not waive or diminish that Party's right to demand strict performance thereafter of that or any other provision hereof.

Section 5.8 Amendment. This Agreement may not be modified or amended except by an agreement in writing signed by each of the Parties.

Section 5.9 Assignment. Except as otherwise provided for in this Agreement, this Agreement shall not be assignable, in whole or in part, directly or indirectly, by any Party without the prior written consent of the other Party, and any attempt to assign any rights or obligations arising under this Agreement without such consent shall be void; provided, that a Party may assign this Agreement in connection with a merger transaction in which such Party is not the surviving entity or the sale by such Party of all or substantially all of its assets; provided, further, that the surviving entity of such merger or the transferee of such assets shall agree in writing, reasonably satisfactory to the other Party, to be bound by the terms of this Agreement as if named as a Party hereto.

Section 5.10 Successors and Assigns. The provisions of this Agreement and the obligations and rights hereunder shall be binding upon, inure to the benefit of, and be enforceable by (and against) the Parties and their respective successors and permitted transferees and assigns.

Section 5.11 No Circumvention. The Parties agree not to directly or indirectly take any actions, act in concert with any Person who takes an action, or cause or allow any member of any such Party's Group to take any actions (including the failure to take a reasonable action) such that the resulting effect is to materially undermine the effectiveness of any of the provisions of this Agreement.

Section 5.12 Third Party Beneficiaries. This Agreement is solely for the benefit of the Parties and should not be deemed to confer upon third parties (including current or former employees of the Parties) any remedy, claim, liability, reimbursement, right of action, or other right in excess of those existing without reference to this Agreement. Without limiting the generality of the foregoing, nothing contained in this Agreement (i) shall be construed to establish, amend, or modify any Plan or other benefit or compensation plan, program, agreement, or arrangement, or (ii) create any rights or obligations in any Person not Party to this Agreement (including any SWBI Employee or AOUT Employee), including with respect to (x) any right to employment or continued employment or to a particular term or condition of employment and (y) the ability of the SWBI Group and the AOUT Group to amend, modify, or terminate any Plan or other benefit or compensation plan, program, agreement, or arrangement at any time established, sponsored, or maintained by any of them.

Section 5.13 Title and Headings. Titles and headings to sections herein are inserted for the convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

Section 5.14 Governing Law. This Agreement shall be interpreted and construed in accordance with the laws of the State of Delaware. Any and all claims, controversies, and causes of action arising out of or relating to this Agreement, whether sounding in contract, tort, statute, or otherwise, shall be governed by the laws of the State of Delaware, including its statutes of limitations, without giving effect to any conflict-of-laws or other rule that would result in the application of the laws of a different jurisdiction.

Section 5.15 Non-Solicitation. During the 24-month period following the Distribution Time (the "Restricted Period"), SWBI shall not solicit or induce or attempt to solicit or induce any AOUT Employee or independent contractor of AOUT to terminate his or her relationship with AOUT. This restriction shall not prevent SWBI from placing public advertising or conducting any other form of general public solicitation that is not targeted towards AOUT Employees or independent contractors of AOUT, or from hiring any AOUT Employee or independent contractor of AOUT who responds to such a public solicitation. During the Restricted Period, AOUT shall not solicit or induce or attempt to solicit or induce any SWBI Employee or independent contractor of SWBI to terminate his or her relationship with SWBI. This restriction shall not prevent AOUT from placing public advertising or conducting any other form of general public solicitation that is not targeted towards SWBI Employees or independent contractors of SWBI or from hiring any SWBI Employee or independent contractor of SWBI who responds to such a public solicitation.

Section 5.16 Severability. In the event any one or more of the provisions contained in this Agreement should be held invalid, illegal, or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby. The Parties shall endeavor in good-faith negotiations to replace the invalid, illegal, or unenforceable provisions with valid provisions, the economic effect of which comes as close as possible to that of the invalid, illegal, or unenforceable provisions.

Section 5.17 Interpretation. The Parties have participated jointly in the negotiation and drafting of this Agreement. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the Party drafting or causing any instrument to be drafted.

Section 5.18 No Duplication; No Double Recovery. Nothing in this Agreement is intended to confer to or impose upon any Party a duplicative right, entitlement, obligation, or recovery with respect to any matter arising out of the same facts and circumstances.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the day and year first above written.

SMITH & WESSON BRANDS, INC.

By: */s/ Mark P. Smith*
Name: Mark P. Smith
Title: President and Chief Executive Officer

AMERICAN OUTDOOR BRANDS, INC.

By: /s/ Brian D. Murphy
Name: Brian D. Murphy
Title: President and Chief Executive Officer

Exhibit 10.4

TRADEMARK LICENSE AGREEMENT

This TRADEMARK LICENSE AGREEMENT (the "Agreement") is entered into and made effective on this 24th day of August, 2020, the (**"Effective Date"**) by and between **Smith & Wesson Inc.**, a Delaware corporation having a place of business at 2100 Roosevelt Avenue, Springfield, Massachusetts 01104 (**"S&W" or "Licensor"**) and **AOB Products Company**, a Delaware corporation having a place of business at 1800 North Route Z, Columbia, Missouri 65202 (**"Licensee"**). Each of S&W and Licensee may be referred to herein as a "party" and collectively they may be referred to herein as the "parties."

Background:

A. S&W owns certain trademarks for use on and in connection with firearms, apparel, accessories and other products;

B. Licensee is engaged in the business of manufacturing, selling and sourcing accessories, apparel and other products, and desires to engage in the development, design, manufacture, sourcing, marketing, advertising, promoting, merchandising, shipment, distribution and sale of certain products as identified in Schedule A bearing one or more of S&W's trademarks;

C. Subject to and conditional upon Licensee's compliance with the terms and conditions of this Agreement, S&W agrees to grant to Licensee a license to use certain of S&Ws trademarks solely as set forth herein.

NOW THEREFORE, in consideration of the above premises and the mutual covenants and undertakings of the parties hereunder, S&W and Licensee agree as follows:

1. Definitions; Interpretation.

1.1 Defined Terms. As used in this Agreement, the following terms will have the following meanings:

"**Affiliate**" means any entity that now or hereafter directly, or indirectly, through one or more intermediaries, Controls (defined below), or is Controlled by, or is under common Control with, a party.

"Applicable Law" means all applicable statutes, laws, regulations, ordinances, executive orders, rules, judgments, orders, decrees, directives, guidelines (to the extent mandatory), policies (to the extent mandatory) and other similar directives, whether now or hereafter in effect, of any federal, state, or local or foreign government, any political subdivision, and any governmental, quasi-governmental, judicial, public, or statutory instrumentality, administrative agency, authority, body, or other entity having jurisdiction over S&W, Licensee or the Licensed Products.

"Channels of Distribution" means only those channels of distribution identified in Schedule A.

"Confidential Information" means any and all information proprietary to one of the parties hereto, whether or not reduced to writing or other tangible medium of expression, and whether or not patented, patentable, capable of trade secret protection or protected as an unpublished or published work under the copyright laws. Confidential Information includes the terms of this Agreement (but not the existence of this Agreement), information relating to Intellectual Property and to business plans, financial matters, products, services, manufacturers, manufacturing processes and methods, costs, sources of supply, strategic marketing plans, customer lists, sales, profits, pricing methods, personnel and business relationships. Confidential Information shall not include any information that: (i) was already known to the receiving party prior to its relationship with the disclosing party, as established by the receiving party's written records; (ii) becomes

generally available to the public other than as a result of the receiving party's breach of this Agreement; (iii) is furnished to the receiving party by a third party who is lawfully in possession of, and who lawfully conveys, such information; (iv) is subsequently developed by the receiving party independently of the information received from the disclosing party, as established by the receiving party's written records; or (v) is ordered to be disclosed by a court or regulatory body of competent jurisdiction. Should either party be served with a request to disclose Confidential Information in a judicial or regulatory body proceeding, it will not do so before notifying the other party in writing within ten (10) days as to provide such party the opportunity to object to the disclosure to the court or regulatory body. Nothing in this paragraph is intended to cause either party to disobey a court or other lawful order or requirement.

"Control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person (defined below), whether through the ownership of voting securities, by contract or otherwise, in each case as interpreted under Rule 12b-2 of the Securities Exchange Act of 1934, as amended.

"Intellectual Property" means all rights, title and interests pertaining to or arising from patents, copyrights, trade secrets, trademarks, trade dress, rights of publicity, and all similar rights throughout the world and however denominated; all domain names; all rights and interests arising from information relating to research and development, product design, materials, manufacturing techniques, supply and distribution arrangements, marketing and advertising plans and materials, pricing and other financial information; and all rights and interests arising from inventions, discoveries, improvements, methods and processes, know how, algorithms, compositions, works of authorship, concepts, designs, styles, graphics, images, ideas, prototypes, writings, notes and patent applications, and all such rights and interests without regard to whether or not patentable or capable of trade secret or copyright protection.

"Licensed Products" means only those products in the product categories as defined in Schedule A.

"Licensed Trademarks" mean only those trademarks, used either separately or in conjunction with each other, in the form set forth in Schedule A, and all goodwill associated with such marks existing as of the Effective Date, and all goodwill arising thereafter whether such goodwill arises from the activities of S&W or Licensee.

"Net Sales" means the aggregate amount booked as sales, billed, invoiced or received (whichever comes first) by Licensee for sales or other transfers of Licensed Products in arm's length transactions in the Territory, less (i) promotional markdowns, (ii) reasonable quantity discounts actually granted to the extent customarily granted to Licensee's customers based on volume, (iii) customer returns actually credited, (iv) to the extent separately stated on purchase orders, invoices or other documents of sale, any duties, taxes and/or other governmental fees or charges levied on the production, sale, transportation, delivery or use of the Licensed Products and paid by or on behalf of Licensee, and (v) reasonable charges for delivery or transportation provided by third parties, if separately stated on purchase orders, invoices or other documents of sale. No deductions in Net Sales may be made for: (vi) cash or other discounts (except as stated above); (vii) commissions; (viii) uncollectable accounts; (ix) taxes, fees, assessments, impositions, payments or expenses of any kind that may be incurred or paid by Licensee in connection with the royalty payments due to S&W hereunder or in connection with the transfer of funds or royalties or with the conversion of any currency into United States dollars; or (x) any costs incurred in the research, design, development, manufacture, sourcing, offering for sale, sale, advertising, promotion, shipment, distribution or exploitation of the Licensed Products. In the event that any Licensed Products are sold other than in an arm's length transaction, then Net Sales shall be deemed to be the Net Sales which would have been applied under this Agreement had such sale been to an independent arm's length purchaser. For purposes of determining royalties owed under this Agreement, Net Sales (A) shall not include the sale or distribution of Licensed Products to Licensor or to an Affiliate of Licensor (excluding the Licensee); and (B) shall not include the sale and distribution of products acquired by Licensee from third-parties which are the subject of (i.e., licensed products under) a royalty-bearing license between a third party and Licensor.

"Person" means any natural person, sole proprietorship, partnership, corporation, limited-liability company, firm or other entity.

"S&W Intellectual Property" means (i) the S&W Trademarks; (ii) any marketing, advertising or promotional materials and any packaging referencing or containing any Licensed Product developed or created by S&W, including but not limited to domain names; (iii) all Intellectual Property owned by S&W prior to the Effective Date and all Intellectual Property independently created by S&W; (iv) all Intellectual Property of or relating to the Smith & Wesson, M&P, Performance Center, Thompson/Center and Gemtech brands and their associated products, as well as any other brand now or in the future owned by S&W; (v) all Intellectual Property created during the Term of this Agreement that is identified with S&W's core firearm business (including firearms, firearm parts, magazines and suppressors) with or without a S&W Trademark, including any design, graphic, image or style approved by S&W for use, or used, in connection with any Licensed Product hereunder, whether developed or created by S&W or Licensee or both, that reflects any feature of any S&W product (including firearms, firearm parts, magazines and suppressors), such as a grip, grip texture or palm swell on an accessory or outdoor product; and (vi) any improvements to or derivatives of any of the foregoing, by S&W or Licensee or both.

"S&W Trademarks" means the Licensed Trademarks and all other Trademarks owned and/or used by S&W and all variations, derivations, stylizations, and versions thereof, as well as any image or depiction of a S&W firearm or other product, and all goodwill associated with any of the foregoing, whether or not registered in the Territory.

"Territory" means worldwide.

"Trademark" means any trademark, trade name, service mark, logo, word, name, symbol, design (including trade dress) or any combination thereof used or intended to be used to identify or distinguish a Person's goods or services.

2. License; Restrictions.

2.1 Trademark License. Subject to, and conditional upon Licensee's compliance with, the terms and conditions of this Agreement, including the rights retained by S&W pursuant to Section 2.2 below, and except as otherwise set forth in this Agreement, S&W hereby grants to Licensee a limited, non-transferable, exclusive right and license to use the Licensed Trademarks in the Territory and during the Term solely in connection with the manufacture, distribution, marketing, advertising, promotion, merchandising, shipping, and sale of the Licensed Products within the Channels of Distribution (the "Trademark License") as further set forth in Schedule A, provided that Licensee's right and license to use S&W Trademarks relating to the business of the Gemtech brand shall be non-exclusive, and S&W reserves the right to use any Licensed Trademarks in connection with Licensed Products in order for S&W and its affiliates to market and sell any products purchased from AOB Products Company under the Supply Agreement dated as of _____, 2020, between AOB Products Company and S&W ("Supply Agreement") and for S&W and its affiliates to use or permit the use of any Licensed Trademark to otherwise exercise S&W's rights under such Supply Agreement or the Supply Agreement dated as of August 24, 2020, between Crimson Trace Corporation and S&W, including rights with respect to "Co-Branded Products" and "Promotional Products" as defined in such agreements. Licensee shall not use the Licensed Trademarks except as expressly stated in this Agreement. Notwithstanding the foregoing, for any items that are normally included in a S&W Bill of Materials, S&W may sell, ship, distribute or use any Licensed Products or similar products to manufacture, or fulfill customer orders for parts for products sold by S&W, or for any customer service purpose other than general retail sales of Licensed Products. Notwithstanding anything in this Agreement to the contrary, S&W may manufacture, directly or through an Affiliate, or purchase from a third party, any "Promotional Products" (as herein defined). "Promotional Products" shall mean any products that will be used by S&W or any

Affiliate for promotional purposes or giveaway purposes, and not directly tied to a revenue generating transaction. Licensee's exclusive rights hereunder, the first offer provisions of Section 2.2 and any other restrictions in this Agreement shall not apply to Promotional Products. Except to the extent that Licensee's rights are non-exclusive, or that S&W otherwise reserves rights with respect to the Licensed Trademarks under this Agreement, during the term of this Agreement, S&W shall not license any third party to use the Licensed Trademarks for the manufacture or sale of any product in any product category listed in Schedule A-1. All rights not granted to Licensee in this Agreement are reserved by and to S&W.

2.2 First Offer for New Licenses. From time to time, S&W may wish to license the Licensed Trademarks to third parties for the purpose of selling products that are not identified as Licensed Products in Schedule A. In such cases, except as hereinafter provided or for those rights reserved by S&W pursuant to Section 2.1, S&W shall first notify Licensee of the license opportunity. If within fourteen (14) days after such notification, Licensee notifies S&W that Licensee is interested in such a license opportunity, then for thirty (30) days thereafter, the parties shall negotiate in good faith a mutually acceptable license agreement. If Licensee fails to timely notify S&W of Licensee's interest in such a license opportunity, or the parties fail to reach agreement on a mutually acceptable license agreement for such license within the time frames designated herein, S&W shall be free to enter into a license agreement with any third party for such a license. This Section applies only to third party licenses, and nothing in this Agreement shall prevent S&W, directly or through an Affiliate, from manufacturing or selling any products not identified as a Licensed Product in Schedule A under any Licensed Trademark. Notwithstanding the foregoing, this Section shall not apply to, and Licensee shall have no rights under this Section with respect to, any trademark license in effect on the date of this agreement with any third party licensee, or to any renewal, extension or modification of any such license agreement.

3. Use of Licensed Trademarks and Patents.

3.1 Prohibited Uses. During the Term and at all times thereafter, Licensee shall not use any of the Licensed Trademarks for any purpose other than as trademarks for the Licensed Products.

3.2 Use of Intellectual Property (Other Than S&W Intellectual Property) in Connection with the Licensed Products. Licensee shall be solely responsible for ensuring that any Intellectual Property (other than S&W Intellectual Property) proposed for use in connection with a Licensed Product does not infringe the Intellectual Property of any Person.

3.3 Marking.

Licensee shall comply with S&W's trademark usage guidelines, including all modifications and updates thereto, as are communicated in writing by S&W to Licensee by Licensor from time to time, and shall place and display the Licensed Trademarks on and in connection with the Licensed Products only in such form and manner as comply with such trademark usage guidelines. Without limiting the foregoing, S&W specifically requires Licensee to cause the Licensed Trademarks to appear on, and in connection with, all Licensed Products in the form set forth in Schedule A. Licensee shall also cause to appear on the Licensed Products and on (i) their containers, packaging, labels, tags, and the like, (ii) all Promotional Materials (defined below) and (iii) all stationery, business cards, invoices and other transaction documents and business materials which display any of the Licensed Trademarks, such other legends, markings and notices as may be required by law or regulation in the Territory or as S&W may reasonably request.

4. Registration and Licensing.

Licensee shall cooperate with S&W in any effort by S&W to register or otherwise establish or perfect its ownership of any S&W Trademark or S&W Intellectual Property applications that S&W may desire to file, and shall execute all documents and perform such acts as S&W may from time to time reasonably request in connection therewith.

5. Infringements.

Licensee shall inform S&W as soon as practicable but not more than 14 days after learning of any goods or activities that infringe (or may infringe) the Licensed Trademarks, or learns of any other infringement or misappropriation of the Licensed Trademarks now or hereafter owned by S&W. Licensee shall provide complete information, cooperation and assistance to S&W concerning each such infringement (including reasonable cooperation and assistance in any further investigation or legal action, such as joining as a party to any lawsuit brought by S&W). Upon learning of such infringement, S&W will have the right, but not the obligation, at its sole discretion and expense, to take such action as S&W considers necessary or appropriate to enforce S&W's rights, including legal action to suppress or eliminate such infringement or to settle any such dispute or action. S&W may also seek and recover all costs, expenses, and damages resulting from such infringement, including sums that might otherwise be recoverable by or due to Licensee by operation of law or otherwise, and Licensee shall have no right to share in any amounts recovered by S&W. Licensee shall have no authority to enforce the rights of S&W by itself, nor shall Licensee have any right to demand or control action by S&W to enforce such rights.

6. License Royalties.

6.1 Royalties. Licensee shall pay to S&W on a fiscal quarterly basis a 5% ongoing aggregate royalty based on Net Sales by Licensee or any Affiliate of Licensee of the Licensed Products within the Territory for Licensed Trademarks, provided that Licensee shall pay S&W a minimum quarterly royalty of $150,000.

6.2 Royalty Reports. Not later than thirty (30) days after the end of each fiscal quarter, Licensee shall deliver to S&W a report in a format to be approved in advance by S&W containing at least the following information:

(a) a detailed written accounting of Licensed Products sold or otherwise disposed of during the immediately preceding quarter in the Territory, the Net Sales for such quarter and the amount of royalties due for such quarter (the "Accounting Statement"), including a breakout of each type of Licensed Product sold by product segment, applicable country and customer type (e.g., Internet, Brick & Mortar, Catalog, etc.);

(b) a summary of the Licensed Products sold and royalties paid during the then-current Product Year;

(c) a certified statement by Licensee that the report is complete and accurate.

Notwithstanding the foregoing sentences, S&W reserves the right to require Licensee to provide additional financial reporting information as requested by S&W in its reasonable discretion.

6.3 Payment. Together with each quarterly royalty report, Licensee shall remit full and satisfactory payment of royalties due to S&W for the immediately preceding fiscal quarter not later than thirty (30) days after the end of such quarter. Such payments shall be made by wire transfer, corporate check (subject to collection), or other method approved by S&W, at the election of S&W. If there is a dispute as to an amount due, Licensee shall not delay payment on undisputed amounts pending resolution of the disputed amount. When overdue, such payments shall bear interest at an annual rate of ten percent (10%) (or such lower rate as may then be the highest rate legally available) from the time such payment is due until payment is received by S&W.

6.4 Taxes. Licensee shall withhold from any royalty payments pursuant to this Agreement any sums required to be withheld on behalf of S&W under the applicable tax laws of the Territory, provided, however, that Licensee shall reasonably cooperate with S&W to obtain reduction or relief from any such withholding obligation. Licensee shall pay such sums as are required to be withheld to the appropriate tax authorities and shall furnish S&W with the official tax receipt or other appropriate evidence of payment issued by such authorities.

6.5 Payments Upon Termination. If this Agreement is terminated for any reason before all payments hereunder have been made, Licensee shall within thirty (30) days thereafter submit a report and pay to S&W any remaining unpaid royalties accrued during the period prior to such termination.

7. Records and Audit Rights.

Licensee shall keep complete, true and accurate records of all operations relating to its performance hereunder, payments, marketing related expenditures and Licensed Product quality standards and make such records available for inspection by Licensor upon Licensor's reasonable request.

8. Proprietary Rights.

The S&W Intellectual Property, and Licensed Trademarks (including all registrations and applications therefor and all goodwill associated therewith), are and will remain the property of S&W, solely and exclusively, and may be used by Licensee solely for the Licensed Products subject to all of the terms and conditions of this Agreement. Licensee acknowledges and agrees that it has not acquired, and shall not acquire (whether by operation of law, by this Agreement or otherwise), any right, title, interest or ownership in or to the S&W Intellectual Property or Licensed Trademarks or any part thereof (all of the foregoing collectively, "Proprietary Rights"). Licensee shall not register any S&W name or other S&W Trademarks, or any confusingly similar variation, as an internet domain name. Licensee may request that S&W register a domain name that uses the S&W name or other S&W Trademarks for use by Licensee during the term of, and in accordance with, this Agreement. Notwithstanding the foregoing, during the Term of this Agreement and any Sell-Off Period (defined further below), solely as set forth in Section 12.6, Licensee may use the S&W name or other S&W Trademarks at the end of a domain name solely for the purpose of identifying the location of the Licensed Products on a website. Licensee specifically acknowledges and agrees that S&W is the owner of all Proprietary Rights, including but not limited to copyright rights, in S&W Intellectual Property. Should any Proprietary Rights become vested in Licensee, Licensee hereby assigns any such Proprietary Rights to S&W at no cost. Licensee shall provide and execute all documents necessary, in S&W's sole discretion, to effectuate and record each such assignment. Licensee shall not, during the Term or at any time thereafter: (i) do anything that, in S&W's sole discretion, could in any way damage, injure or impair the validity, subsistence, or reputation of the Licensed Trademarks; (ii) use any mark, trade name, trade dress, logo, design or style that is confusingly similar to the Licensed Trademarks; or (iii) attack, dispute or challenge the ownership, validity or enforceability of the Licensed Trademarks, the validity of this Agreement, nor shall Licensee assist others in so doing. All use of the Licensed Trademarks and all goodwill and benefit arising from such use shall inure to the benefit of S&W, solely and exclusively. Without limiting any of the foregoing provisions regarding S&W's rights as to S&W Intellectual Property, during the Term of this Agreement, Licensee shall not sell, as a product not branded with an S&W Trademark, any products that are substantially similar to any Licensed Products.

9. Term; Termination.

9.1 Initial Term and Renewal Terms. This Agreement will commence on the Effective Date and, will continue in full force and effect for five (5) years from the Effective Date (the "Initial Term"), unless earlier terminated in accordance with this Section 9.

9.1.1. This Agreement shall automatically renew for a subsequent five-year term (the “First Renewal Term”), provided that if Licensee did not satisfy the performance metrics set forth on Schedule B hereto (the “Performance Metrics”) for the Initial Term, S&W may provide written notice of nonrenewal for failure to meet the Performance Metrics within 30 days following the end of the Initial Term and, following such notice, this Agreement shall not renew for a First Renewal Term but shall instead continue for a period of twelve (12) months from the last day of the Initial Term. After the First Renewal Term, the parties may agree in writing to one or more five-year renewal terms, provided, however, that unless the parties have so agreed to any such additional renewal terms, this Agreement shall continue on a month-to-month basis, and may be terminated by either party at any time by giving twelve (12) months’ written notice to the other party.

9.1.2. In addition to the conditions on renewal set forth in Section 9.1.1, if either party wishes to modify the Royalty Rate, commencing on or after ten (10) years from the Effective Date, then not later than six (6) months prior to the expiration of the First Renewal Term, or of any subsequent five-year renewal term to which the parties may agree pursuant to Section 9.1.1, the parties shall engage in good faith discussions regarding such new Royalty Rate, and if the parties are unable to agree on a new Royalty Rate, the parties will engage an independent third party (“ITP”) to set the new Royalty Rate based off the industry average rate.

Upon determination of such new Royalty Rate by the ITP, such Royalty Rate shall be the Royalty Rate under Section 6.1 of the Agreement, starting with the five-year renewal term as to which the modified rate was requested and continuing thereafter, provided, if either party does not agree with the rate determined by the ITP, such party may elect to not extend the Agreement and this Agreement shall not renew for such five-year renewal term, but shall instead continue for a period of twelve (12) months from the last day of the preceding renewal term at the same Royalty Rate of such preceding renewal term.

The cost of the ITP shall be paid by the Party that does not wish to extend the Agreement, or split equally between the parties if the Agreement is extended. For avoidance of doubt, the parties agree that the royalty rate adjustment is not a one-time event, and may be renegotiated at the end of each renewal after the First Renewal Term.

9.1.3 Notwithstanding the foregoing, S&W may terminate this Agreement and purchase the assets of the business line selling the Products (the “Business”) at any time beginning three years from the Effective Date by paying Licensee a purchase price and termination fee equal to two (2) times the net revenues of Licensee from its sales of Licensed Products for the 12-month period preceding such termination date with an adjustment for net working capital of the Business as of the date of the closing as compared to the target working capital of the Business calculated using an average over the 12 month period preceding the date Licensor exercises its right to terminate and purchase the Business.

9.2 Termination for Cause. S&W or Licensee may terminate this Agreement for cause if the other party breaches any of its obligations under this Agreement and fails to cure such breach within thirty (30) days after receiving notice thereof from the non-breaching party, provided such 30-day period shall be extended, upon request by the breaching party that is approved in writing by the other party, such approval not to be unreasonably withheld, if such cure cannot reasonably be completed in 30 days as long as the breaching party is diligently pursuing such cure.

9.3 Termination Due to Insolvency. Unless expressly prohibited by Applicable Law, S&W may terminate this Agreement immediately for cause by providing notice to Licensee if Licensee: (a) commences or becomes the subject of any case or proceeding under the bankruptcy, insolvency or equivalent laws of any country in the Territory; (b) has appointed for it or for any substantial part of its property a court appointed receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official; (c) makes an assignment for the benefit of its creditors; (d) defaults on any obligation which is secured, in whole or in part, by a security interest in the Licensed Products; (e) fails generally to pay its debts as they become due; or (f) takes corporate action in furtherance of any of the foregoing (collectively, herein referred to as “Events of Insolvency”). Licensee shall immediately give S&W written notice of any Event of Insolvency.

9.4 No Rights After Term. Licensee understands and acknowledges that, with the exception of its right to sell Remaining Inventory during the Sell-Off Period under Section 9.6, no rights under this Agreement whatsoever shall extend to Licensee beyond the expiration or termination of this Agreement. Licensee shall not be entitled to any compensatory payment in connection with the expiration or termination of this Agreement for any reason.

9.5 Return of Property. Each party shall return to the other, promptly upon the expiration or termination of this Agreement, or at any other time when requested, any and all property of the other party (including, but not limited to, all Confidential Information and copies thereof); provided, however, that S&W may retain free of charge any items bearing the Licensed Trademarks, any samples supplied to it under this Agreement and any products supplied to it by Licensee.

9.6 Inventory Upon Termination or Expiration.

(a) Promptly following expiration or termination of this Agreement, Licensee shall notify S&W in writing detailing any inventory of Licensed Products remaining upon such expiration or termination (collectively, the "Remaining Inventory"). Licensee may sell-off ("Sell-Off") to third parties all or any portion of the Remaining Inventory. The period for such sell-off (the "Sell-Off Period") shall be the six (6) month period following the expiration or termination of this Agreement. Licensee's proposed sell-off arrangements will be subject to S&W's prior written approval, and shall be subject to Licensee's payment of royalties at the percentage rate and on the schedule set forth in Sections 6.1 and 6.2, and compliance with all other restrictions herein on the use of the Licensed Trademarks.

(b) Upon expiration of the Sell-Off Period, such part of any Remaining Inventory that is not otherwise sold, up to a maximum of six months' supply based on the rolling 12 months' sales through the termination date, shall be purchased by S&W at Licensee's reasonable cost thereof, and any Remaining Inventory that is not sold must be provided to S&W free of charge or at S&W's sole option destroyed. Licensee shall make no claim against S&W in connection therewith.

9.7 Surviving Terms. The following terms shall survive termination or expiration of this Agreement: 1, 3.1, 4, 7, 8, 9.5, 9.6, 11, 12, 13, 14, 15 and any other terms, which are expressly, or by their nature are impliedly, intended to survive. Notwithstanding the foregoing, the provisions of Section 7 (Records and Audit Rights) shall terminate one (1) year following the end of the Sell-Off Period.

10. Marketing.

Licensee shall use its best efforts to promote and expand the supply of Licensed Products throughout the Territory. Licensee shall comply with S&W's policies and procedures, as amended from time to time, and communicated in writing to Licensee with respect to intellectual property, marketing and promotional materials, and approvals. Licensee shall comply with S&W's policies and procedures for marketing materials, or obtain S&W's prior written approval, which shall not be unreasonably withheld, for any advertising, promotional, merchandising and other marketing materials for which Licensee is responsible pertaining to the Licensed Products, including all containers, packaging, labels, tags, advertisements, brochures and the like. Licensee shall, upon S&W's request from time to time, provide copies of any such marketing materials to S&W. Licensee shall obtain, in writing, all necessary and applicable approvals in S&W's chain of command as identified to Licensee from time to time.

11. Quality Control; Distribution; Consumer Inquiries.

11.1 Approval of Licensed Products. On at least an annual basis, or more frequently as necessary for the introduction of new Licensed Products during the year, Licensee shall obtain S&W's prior written approval, which shall not be unreasonably withheld, of all Licensed Products or any changes to Licensed Products. As requested by Licensor, Licensee will deliver to S&W at no cost for approval by S&W samples of each Licensed Product, and any material change thereto, prior to Licensee's production manufacturing, initial presentation, sale or other use of such Licensed Products, and shall otherwise comply with S&W product approval policies and procedures, as amended from time to time, and communicated in writing to Licensee. Licensee shall obtain, in writing, all necessary and applicable approvals in S&W's chain of command as identified to Licensee from time to time.

11.2 Product Standards. Licensee shall assure at all times that the Licensed Products: (a) are of a high quality standard consistent with the quality of S&W products and otherwise conform to specifications, performance standards and quality standards of Licensee's other premium positioned products; (b) conform to the samples submitted for approval described above, with modifications only as approved in writing by S&W; (c) are sourced, manufactured, labeled, distributed, marketed, advertised, promoted and sold in accordance with all Applicable Laws and any S&W codes of conduct or policies as the same may be modified, supplemented or superseded by S&W from time to time ("S&W Policies"); and (d) meet or exceed all government standards, Applicable Laws, manufacturing codes and the like. Licensee shall have and maintain a commercially reasonable quality assurance plan acceptable to S&W to assure that the Licensed Products conform to the foregoing requirements, which plan shall be made available for inspection by S&W upon its request.

11.3 Approval of Third Party Manufacturers/Suppliers. In no event will Licensee permit or engage any person or entity to manufacture or supply a Licensed Product or components thereof without first following all company policies and procedures relating to due diligence and approval of third-party manufacturers/suppliers. In any event, Licensee shall be fully responsible and liable for the acts and omissions of any manufacturer, whether or not approved by S&W.

11.4 Manufacturing; Supply Chain. S&W shall have the right to inspect and oversee components of Licensee's manufacturing and supply chain to the extent necessary to protect the Licensed Trademarks, provided that in lieu of identifying any third party supplier, Licensee shall provide S&W with information regarding how such supplier was selected and is measured, and such other information requested by S&W regarding the quality standards employed by such supplier, which information shall be reasonably satisfactory to S&W.

11.5. Distribution. Licensee shall not sell or distribute, and shall not permit any Affiliate of Licensee to sell or distribute, Licensed Products to any retailer or wholesaler outside the Channels of Distribution.

11.6. Consumer Inquiries. Licensee will at its sole cost and expense handle all product warranty and guarantee/satisfaction issues, response and compliance requirements, as well as all consumer inquiries or complaints relating in any way to any Licensed Product (collectively "Consumer Inquiries"). Licensee shall keep records of all Consumer Inquiries and shall put in place a quality assurance plan acceptable to S&W for detecting and tracking and resolving quality problems reported to it by consumers. If Licensee learns of any consumer injury or alleged injury relating to a Licensed Product, Licensee shall promptly notify the Legal Department at S&W. Licensee shall print on all packaging or packaging inserts for any Licensed Product contact information identifying the Licensee as the manufacturer or distributor (as the case may be) of the Licensed Product, including at least Licensee's company name, address and email address for consumer inquiries or complaints.

12. Representations, Warranties and Additional Covenants.

12.1 S&W Representations and Warranties. S&W represents and warrants to Licensee that: (a) it is authorized to enter into this Agreement; (b) it has the right to grant the rights and licenses granted hereunder; and (c) it has not made, and will not make, any commitments to others inconsistent with, or in derogation of, such rights, provided S&W makes no representations or warranties with respect to any Licensed Trademarks for use with any product outside of any jurisdiction in which and with respect to which such Licensed Trademark is registered.

12.2 Licensee General Representations and Warranties. Licensee represents and warrants to S&W that: (a) it is authorized to enter into this Agreement; (b) it has not made, and will not make, any commitments inconsistent with, or in derogation of, the rights granted in this Agreement; (c) by entering into and performing under this Agreement it is not, and shall not be, in conflict with any prior obligations to third parties; (d) the Licensed Products and all associated materials are, and shall be, free from any claims of infringement of any third party's proprietary or other intellectual property rights (including trade secret, patent, copyright and trademark rights); (e) the Licensed Products and all associated materials are, and shall be, free from defects in design, material and workmanship and are, and shall be, safe and suitable for their intended and foreseeable uses; (f) the Licensed Products and all associated materials are, and shall be, free from any claim of product liability; (g) the Licensed Products and all associated materials shall meet the requirements of all Applicable Laws in the Territory; and (h) Licensee will comply with all S&W Policies for which Licensee has been provided with written notification.

12.3 Licensee Compliance with Conflict Minerals Laws. Licensee shall ensure that it is able to provide to S&W upon request, information in sufficient detail (with certifications if requested), to enable S&W to timely comply with all of its diligence, disclosure and audit requirements under Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") and Rule 13p-1 and Form SD under the Securities Exchange Act of 1934, and any similar, applicable statutes and regulations, including due inquiry of Licensee's suppliers (and certifications by such suppliers) identifying conflict minerals (as defined in Section 1502(e)(4) of the Dodd-Frank Act) contained in each Licensed Product and the country of origin of such conflict minerals (or, following due inquiry, why such country of origin cannot be determined).

12.4. Licensee Compliance with Anti-Corruption/Anti-Bribery and Import/Export Control Laws. Licensee shall: (a) comply with all applicable laws and regulations prohibiting corrupt practices and/or bribery, including, but not limited to, the United States Foreign Corrupt Practices Act ("FCPA") and the United Kingdom Anti-Bribery Act; (b) comply with all applicable export and import laws and regulations; and (c) not directly or indirectly export, re-export, distribute or transfer any technology, Confidential Information or materials of any value to any nation, individual or entity that is prohibited or restricted by law or regulation, including, but not limited to, the U.S. Department of State International Traffic in Arms Regulations, the U.S. Department of Commerce Export Administration Regulations, the U.S. Treasury Office of Foreign Assets Control, and the U.S. Department of State's State Sponsors of Terrorism designation. Licensee shall provide S&W with such information and certifications as are from time to time reasonably requested by S&W regarding Licensee's compliance with all applicable company policies concerning anti-corruption/anti-bribery and/or import/export laws and regulations.

12.5 Compliance. Licensee shall comply with all Applicable Laws applicable to its sale and use of Licensed Products, and all industry practices, guidelines or other standards requested by S&W, including any standards relating to privacy and security of personal information and payment card information.

12.6 Website. During the term of this Agreement, (a) Licensor shall ensure that the website https://www.smith-wesson.com/ and any successor website that serves as Licensor's primary website during such time contains a link to Licensee's website and (b) Licensee shall have the non-exclusive right to use the website domains https://www.store.smith-wesson.com and https://www.accessories.tcarms.com , which Licensee acknowledges are owned by Licensor, in connection with Licensee's sale of Licensed Products.

13. Indemnification by Licensee; Insurance.

13.1 Licensee Indemnity. Licensee shall indemnify and hold S&W and its parent company, and their respective directors, officers, employees and agents (altogether the "S&W Parties") harmless from and against any and all claims arising out of or relating to: (a) any inaccuracy or breach of Licensee's representations, warranties, covenants or other obligations hereunder (including those set forth in Sections 12.2, 12.3, 12.4, and 12.5); (b) the design, development, manufacture, sourcing, marketing, advertising, promotion, merchandising, shipment, importing, exporting, distribution, sale or use of any Licensed Products or Promotional Materials (including any (i) product liability claims, (ii) claims of personal injury, death or property damage, (iii) claims made under any guaranties made or warranties given (in each case, whether express or implied) with respect to such Licensed Products, (iv) any claims of infringement or misappropriation of Intellectual Property of a third party except any claim arising out of the use of the Licensed Trademark or S&W's Intellectual Property, or (v) any similar or other claim based on strict liability, negligence or warranty (whether express or implied)); or (c) any use of the Licensed Trademarks by Licensee in a manner not authorized by this License Agreement, provided however Licensee shall not have any indemnification obligations hereunder to the extent arising out of S&W's breach of this agreement, gross negligence or intentional misconduct. Any settlement of any claim as a result of Licensee's indemnification obligations hereunder shall first require the consent of S&W, and must release S&W from all liability for any and all claims arising out of or relating to the matter that were or could have been asserted by the claimant/plaintiff.

13.2 S&W Indemnity. S&W shall indemnify and hold Licensee and its parent company, and their respective directors, officers, employees and agents harmless from and against any and all claims arising out of (a) any inaccuracy or breach of S&W's representations, warranties, covenants or other obligations hereunder, and (b) third party claims of infringement or misappropriation of a Licensed Trademark arising from use of a Licensed Trademark in a jurisdiction and with a Licensed Product in which and as to which such Licensed Trademark is registered, provided however S&W shall not have any indemnification obligations hereunder to the extent arising out of Licensee's breach of this agreement, gross negligence or intentional misconduct.

13.3 Third Party Claims. If either party seeks indemnification or damages (the "Indemnified Party") under this Agreement from the other party (the "Indemnifying Party") for any claim asserted, against such Indemnified Party by a third party (a "Third Party Claim"), the Indemnified Party shall, promptly upon gaining knowledge of such Third Party Claim, deliver to the Indemnifying Party notice (a "Claim Notice") of such Third Party Claim with sufficient detail as to why the Indemnifying Party is responsible for such Third Party Claim; provided, that a failure by the Indemnified Party to give such Claim Notice in the manner required pursuant to this Section 13.3 shall not limit or otherwise affect the obligations of the Indemnifying Party under this Agreement, except to the extent that such Indemnifying Party is actually prejudiced with respect to the rights available to the Indemnifying Party with respect to such Third Party Claims, and then only to the extent of any such actual prejudice. The Indemnifying Party shall have the right, at its sole option and expense, to appoint counsel of its choice, which must be reasonably satisfactory to the Indemnified Party, and to defend against, negotiate, settle or otherwise deal with such Third Party Claim in lieu of the Indemnified Party defending or settling such claim, provided the Indemnifying Party shall not have the right to defend such Third Party Claim if such Third-Party Claim seeks relief other than the payment of monetary damages or seeks the imposition of a consent order, injunction or decree that would materially restrict the future activity or conduct of the Indemnified Party, or is a criminal Legal proceeding or alleges, or seeks a finding or admission of a violation of Law or violation of the rights of any person by the Indemnified Party.

13.4 Insurance.

(a) At all times during the Term of this Agreement and for a period of three years thereafter, Licensee shall procure and maintain, at its sole cost and expense, commercial general liability insurance with limits not less than Two Million Dollars ($2,000,000) per occurrence and Five Million Dollars ($5,000,000) in the aggregate, including bodily injury and property damage and products and completed operations and advertising liability, which policy will include contractual liability coverage insuring the activities of Licensee under this Agreement.

(b) All insurance policies required pursuant to Section 13.2 must:

(i) be issued by insurance companies reasonably acceptable to Licensor;

(ii) provide that such insurance carriers give Licensor at least 30 days' prior written notice of cancellation or non-renewal of policy coverage; provided that, prior to such cancellation, Licensee has new insurance policies in place that meet the requirements of Section 13.2;

(iii) waive any right of subrogation of the insurers against Licensor or any of its Affiliates;

(iv) provide that such insurance be primary insurance and any similar insurance in the name of and/or for the benefit of Licensor is excess and non-contributory; and

(v) name Licensor and its Affiliates, including, in each case, all successors and permitted assigns, as additional insureds.

(c) Licensee shall provide Licensor with copies of the certificates of insurance and policy endorsements required by this Section 13.4 upon the written request of Licensor, and shall not do anything to invalidate such insurance.

14. Confidential Information.

14.1 Confidentiality and Non-Disclosure. The parties acknowledge that during the course of their performance under this Agreement, each party may learn Confidential Information of the other party. Each party agrees to take reasonable steps to protect such Confidential Information and further agrees that it shall not: (a) use such Confidential Information except as required in the normal and proper course of performing under this Agreement; (b) disclose such Confidential Information to a third party; or (c) allow a third party access to such Confidential Information (except as may otherwise be required by law) without, in each case, obtaining the prior written approval of the other party, provided, however, that such restrictions shall not apply to Confidential Information which a party has requested be subject to a confidentiality order but nonetheless is required to be revealed to an adjudicating body in the course of litigation. All Confidential Information is, and shall remain, the property of the party which supplied it. Each party shall take reasonable steps to mark its Confidential Information which is in written form with appropriate legends, provided, however, that the failure so to mark such Confidential Information shall not relieve the other party of its obligations hereunder.

14.2 Prohibited Use of S&W's Confidential Information. Under no circumstances shall Licensee: (a) use S&W Confidential Information in connection with products outside of the scope of Licensee's business of manufacturing, selling and sourcing firearm accessories, or that are not Licensed Products; or (b) disclose S&W Confidential Information to, or allow access to S&W Confidential Information by, anyone not directly associated with the design, development or manufacture of Licensed Products.

15. Miscellaneous.

15.1 Recalls. Licensee shall immediately notify S&W in the event of any product defect or recall considerations or deliberations concerning a Licensed Product. If, at any time, S&W determines that any Licensed Product sold by Licensee is defective, unsafe or otherwise harmful or potentially harmful to consumers or S&W, S&W shall have the right (but shall not be obligated) to require Licensee to recall such Licensed Product, provided, however, that such recall (or failure so to recall) shall not relieve Licensee of any obligations hereunder. The type and method of recall shall be subject to S&W's approval. Licensee shall bear any and all costs related to any recall of Licensed Products, whether such recall is voluntary or required by S&W or any governmental authority. Licensee shall have and maintain an adequate and comprehensive lot traceability program to ensure recall effectiveness.

15.2 Relationship of the Parties. Neither Licensee nor S&W shall be construed to be the agent of the other in any respect. The parties have entered into this Agreement as independent contractors only, and nothing herein shall be construed to place the parties in the relationship of partners, joint venturers, agents or legal representatives. Neither Licensee nor S&W will have the authority to obligate or bind the other in any manner as to any third party. Nothing contained herein shall be construed to restrict Licensee's ability to set its prices with respect to unaffiliated third parties.

15.3 Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to its subject matter and, as of its Effective Date, supersedes all prior agreements, understandings, commitments, negotiations and discussions with respect thereto, whether oral or written.

15.4 No Amendment. This Agreement may not be amended or modified in any respect, except upon mutual written agreement of the parties.

15.5 Waiver. The failure of any party to insist upon strict adherence to any provision of this Agreement on any occasion shall not be considered a waiver of such party's right to insist upon strict adherence to such provision thereafter or to any other provision of this Agreement in any instance. Any waiver shall be in writing signed by the party against whom such waiver is sought to be enforced.

15.6 Sublicensing and Assignment. This Agreement and the rights and licenses granted to Licensee are personal to Licensee. Licensee shall not sublicense any of the Licensed Trademarks or assign or transfer any of its rights or delegate any of its obligations under this Agreement without the prior written consent of S&W. S&W shall not unreasonably withhold its consent to a proposed sublicense or assignment by Licensee to an Affiliate of Licensee, except S&W may, in its sole discretion, withhold any consent to any such proposed sublicense or assignment following a change of Control of Licensee or of any Affiliate of Licensee. Any attempted sublicense, assignment, transfer or delegation in violation of this Section 15.6 or by virtue of the operation of law shall be null and void and of no effect. This Agreement shall be binding upon, and shall inure to the benefit of, the parties' respective successors and permitted assigns. For purposes of this Section 15.6, a "transfer" shall include the following actions by Licensee (whether effected in a single transaction or in a series of related transactions, and whether effected directly or indirectly): (a) the sale or other disposition of all or substantially all of Licensee's business or assets (except for "ordinary course" inventory sales); (b) the transfer of effective voting or other business Control of Licensee; or (c) any other change of Control of Licensee.

15.7 Severability; Reformation. The provisions of this Agreement shall be severable. If a court of competent jurisdiction shall declare any provision of this Agreement invalid, illegally or unenforceable, the other provisions hereof shall remain in full force and effect, and such court shall be empowered to modify, if possible, such invalid, illegal or unenforceable provision to the extent necessary to make it valid and enforceable to the maximum extent possible.

15.8 Equitable Relief. Licensee acknowledges and agrees that: (a) its failure to perform its obligations under this Agreement and its breach of any provision hereof, in any instance, shall result in immediate and irreparable damage to S&W; (b) no adequate remedy at law exists for such damage; and (c) in the event of such failure or breach, S&W shall be entitled to equitable relief by way of temporary, preliminary and permanent injunctions, and such other and further relief as any court of competent jurisdiction may deem just and proper, in addition to, and without prejudice to, any other relief whether in law or in equity to which S&W may be entitled.

15.9 Governing Law; Jurisdiction and Venue. This Agreement will be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts applicable to agreements made and to be performed entirely therein. Licensee hereby consents to the exclusive jurisdiction of the courts of the Commonwealth of Massachusetts and of the United States District Court for the District of Massachusetts for resolution of all claims, differences and disputes which the parties may have regarding, or which arise under, this Agreement. Any judgment or other decision of any such court shall be enforceable, without further proceedings, against the named party anywhere in the world where such party is located, does business or has assets.

15.10 Waiver of Right to Jury Trial. EACH OF THE PARTIES HEREBY WAIVES ITS RIGHTS TO A TRIAL BY JURY IN ANY LITIGATION IN ANY COURT WITH RESPECT TO, IN CONNECTION WITH, OR ARISING OUT OF, THIS AGREEMENT OR THE VALIDITY, INTERPRETATION OR ENFORCEMENT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN.

15.11 Notices. Materials required to be delivered to any party hereunder shall be delivered to the address given below for such party. Unless otherwise expressly stated in this Agreement, any notice, accounting statement, consent, approval or other communication under this Agreement shall be in writing and shall be considered given: (a) upon personal delivery, (b) two (2) business days after being deposited with an “overnight” courier or “express mail” service, or (c) seven (7) business days after being mailed by registered or certified first class mail, return receipt requested, in each case addressed to the notified party at its address set forth below (or at such other address as such party may specify by notice to the others delivered in accordance with this Section 15):

If to S&W:
Smith & Wesson Inc.
2100 Roosevelt Ave.
Springfield, MA 01104
Attn: President

With a copy to:
Smith & Wesson Inc.
2100 Roosevelt Ave.
Springfield, MA 01104
Attn: Legal Department

If to Licensee:
AOB Products Company
1800 North Route Z
Columbia, MO 65202
Attn: President

With a copy to:
TD Bank, N.A.
2 West Main St., 2nd Floor
Waterbury, CT 06702
Attention: AOB Products Acct Manager

15.12 Offer and Acceptance. This Agreement will not be effective unless and until it is fully executed by authorized officers of each of the parties.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers as of the Effective Date.

Smith & Wesson Inc.

By: */s/ Mark P. Smith*
Name: Mark P. Smith
Title: President

AOB Products Company

By: */s/ Brian D. Murphy*
Name: Brian D. Murphy
Title: President

Exhibit 10.5

SUBLEASE AGREEMENT

THIS SUBLEASE AGREEMENT (the "Sublease") is made and entered into effective as of August 24, 2020 (the "Effective Date"), by and between SMITH & WESSON SALES COMPANY (formerly known as Smith & Wesson Corp.), a Delaware corporation ("Sublandlord"), and AMERICAN OUTDOOR BRANDS, INC., a Delaware corporation ("Subtenant").

RECITALS:

WHEREAS, Sublandlord and RCS – S&W FACILITY, LLC ("Landlord"), successor by assignment to Ryan Boone County, LLC, are parties to that certain Lease Agreement dated October 25, 2018, as amended by that certain First Amendment to Lease Agreement dated October 25, 2018, and as further amended by that certain Second Amendment to Lease Agreement dated January 31, 2020 (collectively, the "Master Lease"); and

WHEREAS, Sublandlord leases the improved real property located in Boone County, Missouri and described on **Exhibit A** from Landlord under the terms of the Master Lease, including, but not limited to, the approximately 633,020 square foot office and warehouse building and other improvements forming a part thereof (collective, the "Project"); and

WHEREAS, Subtenant desires to sublease from Sublandlord certain office space within said building containing approximately 43,402 square feet and certain warehouse space within said building containing approximately 317,813 square feet, which space is more particularly described on **Exhibit B** (collectively, the "Subleased Premises"); and

WHEREAS, Sublandlord has agreed to sublease the Subleased Premises to Subtenant upon the terms and conditions set forth in this Sublease.

NOW, THEREFORE, for the covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Sublandlord and Subtenant agree as follows:

1. Defined Terms. For purposes of this Sublease, the following terms shall have the meanings ascribed to them in this section. In addition, any term used in this Sublease that is not defined herein but is defined in the Master Lease shall have the meaning ascribed to it in the Master Lease.

"Affiliate" means, with respect to any party (the "Designated Party"), (A) any Person that, directly or indirectly, controls, is controlled by, or is under common control with the Designated Party, (B) any Person that, directly or indirectly, owns fifty percent (50%) or more of the voting interests or financial interests of the Designated Party, and (C) any Person in which the Designated Party or a Person described in subparagraph (B), directly or indirectly, owns fifty percent (50%) or more of the voting interests or financial interests. As used in the preceding sentence, the terms "control", "controlled by" and "under common control with" mean the possession of the power to direct or cause the direction of the management and policies of an entity, whether through the ownership of voting securities, by contract or otherwise. Notwithstanding anything to the contrary, Subtenant shall not be considered an Affiliate of Sublandlord for purposes of this Sublease and Sublandlord shall not be considered an Affiliate of Subtenant for purposes of this Sublease.

"Alterations" means alterations, additions, changes and improvements to the Subleased Premises, excluding maintenance, repairs and replacements (with substantially similar items).

"Applicable Laws" means all applicable governmental laws, statutes, codes, ordinances, rules, regulations, rulings, orders and decrees, now in force or hereafter enacted, including, without limitation, the Americans with Disabilities Act, 42 U.S.C. § 12101, et seq., or any successor thereto.

"Base Rent" shall have the meaning ascribed to it in Section 4(a).

"Building" means the building forming a part of the Project, as the same is modified, from time to time.

"Business Days" means Monday through Friday, excluding holidays on which national banking associations are authorized to be closed in Boone County, Missouri.

"Common Areas" means the Shared Building Areas and the Project Common Areas. "County" means Boone County, Missouri.

"Disqualified Person" means any Person who is engaged or whose Affiliate is engaged in the manufacture, assembly, sale, marketing or distribution of firearms, munitions and/or related accessories.

"Event of Force Majeure" means any strike, lockout, labor dispute, embargo, flood, earthquake, storm, lightning, fire, casualty, epidemic, pandemic, act of God, war, national emergency, civil disturbance or disobedience, riot, sabotage, terrorism, restraint by court order, unusually severe weather condition not reasonably anticipatable, or other occurrence beyond the reasonable control of the party in question; provided, however, Sublandlord's or Subtenant's lack of funds shall not constitute an Event of Force Majeure.

"Hazardous Substances" means all hazardous or toxic substances, materials, wastes, pollutants and contaminants that are listed, defined or regulated under Applicable Laws pertaining to the environment, human health or safety, including, but not limited to, the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C.A. §§ 9601 to 9675, the Hazardous Materials Transportation Authorization Act of 1994, 49 U.S.C.A. § 5101 et seq., the Resource Conservation and Recovery Act , 42 U.S.C.A. §§ 6921 to 6939e, the Federal Water Pollution Control Act, 33 U.S.C.A. §§ 1251 to 1387, the Clean Air Act, 42 U.S.C.A. §§ 7401 to 7671q, the Emergency Planning and Community Right To Know Act, 42 U.S.C.A. §§ 11001 to 11050, the Toxic Substances Control Act, 15 U.S.C.A. §§ 2601 to 2692, the Solid Waste Disposal Act, 42 U.S.C.A. §§ 6901 to 6992k, the Oil Pollution Act, 33 U.S.C.A. §§ 2701 to 2761, and the environmental laws of the State of Missouri, each as amended.

"Improvements" means the buildings, structures and other improvements forming a part of the Project, as the same are modified, from time to time.

"Incentive Agreements" means the agreements granting or establishing certain incentives in connection with the Project that are described on **Exhibit C**, as the same are amended, modified or supplemented, from time to time.

"Mechanical Systems" means the mechanical, electrical, plumbing, heating, air conditioning, elevator, sprinkler, fire protection and utility systems forming a part of the Project.

"Monetary Lien" means any monetary claim, judgment, mortgage, deed of trust, deed to secure debt, security interest or other similar encumbrance.

"Net Worth" means, with respect to any Person, the difference between such Person's total assets and its total liabilities, excluding the amount of any negative goodwill and calculated in accordance with generally accepted accounting principles or other reputable accounting principles.

"Permitted Exceptions" means (A) the matters described on **Exhibit D**, (B) access and utility easements encumbering the Project entered into by Landlord or Sublandlord in accordance with the Master Lease, (C) the Incentive Agreements, and (D) the lien for real property taxes that are not yet delinquent.

"Permitted Uses" means (A) office uses, general administration, customer service, warehousing, product assembly, distribution, and fulfillment of customer orders; (B) product development in a manner substantially similar to Subtenant's product development activities at the Project immediately prior to the Effective Date, and (C) activities incidental to such uses.

"Person" means any individual, sole proprietorship, partnership, limited liability company, joint venture, trust, unincorporated organization, association, corporation, institution or entity, including, without limitation, any governmental body, agency or department.

"PILOT Payments" means the payments in lieu of property taxes to be made with respect to the Project under the Incentive Agreements, including, but not limited to, any annual fees payable to the County or any department, official, treasurer, assessor, clerk, appraiser, accountant or legal counsel thereof and any fees payable to the Bond Trustee under the Incentive Agreements.

"Project" shall have the meaning ascribed to it in the second (2nd) recital above.

"Project Common Areas" means the areas, facilities, systems and equipment other than the Shared Building Areas that Sublandlord makes available for the general use or benefit of the tenants, subtenants and other occupants of the Project, as the same are modified, reconfigured, expanded or removed by Sublandlord, including, but not limited to, (A) Mechanical Systems generally serving the tenants, subtenants and other occupants of the Building, but excluding Mechanical Systems that exclusively serve the Shared Buildings Areas, the Subleased Premises or Sublandlord's Retained Space, and (B) elevators, sidewalks, driveways, parking areas, curbing, trash enclosures, dumpsters, storm water detention and retention facilities, sewage treatment facilities, back-up generators, water towers, outdoor seating areas, retaining walls, landscaping, irrigation systems, and signs.

"Project Insurance Costs" means (i) all costs incurred by Sublandlord to maintain insurance covering the Project, including, without limitation, the Premises Property Insurance required under the Master Lease and all liability insurance that Sublandlord deems necessary or desirable in connection with the Common Areas or its operation thereof, (ii) all insurance costs that Sublandlord is required to pay to Landlord under the Master Lease, and (iii) all amounts paid by Sublandlord on account of loss and damage to or at the Project covered by such insurance that are within the deductibles thereof, including, without limitation, personal injury, death and property damage. The Project Insurance Costs shall not include the cost of Sublandlord's commercial general liability insurance covering Sublandlord's activities or operations within the Sublandlord's Retained Space or property insurance covering Sublandlord's personal property located in the Sublandlord's Retained Space, but may cover any personal property of Sublandlord located in the Common Areas.

"Project Operating Costs" means all costs and expenses incurred by Sublandlord in connection with the operation, management, maintenance, repair, replacement and equipping of the Project, excluding Project Insurance Costs, Project Property Taxes and Shared Building Area Costs. Without limiting the generality of the foregoing, Project Operating Costs shall include: (A) the cost of operating, maintaining, repairing, replacing, lighting, repaving, striping, cleaning and painting the Project Common Areas, (B) management fees, (C) the cost of installing and maintaining common signage, (D) amounts incurred to maintain, repair and replace Mechanical Systems and other facilities that generally serve the Project, the Building or the Common Areas, but excluding Mechanical Systems and other facilities that exclusively serve the Shared Building Areas, the Subleased Premises or the Sublandlord's Retained Space, (E) the costs incurred by Sublandlord to maintain the roof of the Building, (F) personnel costs (e.g. salaries, benefit costs and payroll taxes) for employees who devote all or substantially all of their time to the operation, management, maintenance, repair, replacement and/or equipping of the Common Areas, excluding any such costs included in Shared Building Area Costs, (G) the cost of services and supplies that Sublandlord furnishes generally to tenants, subtenants and other occupants of the Building or to the Common Areas, excluding any such costs included in Shared Building Area Costs, (H) the cost of utilities

furnished to the Project that are not separately metered or sub-metered, (I) the rental charges for machinery and equipment used in connection with the operation, management, maintenance, repair, replacement or equipping of the Common Areas, excluding any such costs included in Shared Building Area Costs, (J) accounting, legal and other professional fees, (K) charges for landscape maintenance and snow and ice removal, (L) the cost of seasonal or holiday decorations, excluding any such cost included in Shared Building Area Costs, and (M) trash removal costs if provided by Sublandlord.

"Project Property Taxes" means (A) all real property taxes, ad valorem taxes, and assessments (general and special, public and private) levied against or imposed upon the Project; (B) all governmental fees and charges (including, without limitation, permit fees and storm water charges) levied against or imposed upon the Project, but excluding any governmental fees or charges due as a result of or in connection with the business operations of any tenant or occupant of the Building, (C) personal property taxes levied or imposed on any furniture, trade fixtures, equipment and other personal property belonging to Sublandlord that is located in the Common Areas or that is used by Sublandlord in connection with the operation, management, maintenance, repair or replacement of the Common Areas, and (D) PILOT Payments.

"Rent" means the Base Rent, additional rent and other sums that Subtenant is expressly required to pay Sublandlord under this Sublease.

"Rent Adjustment Dates" means each and every December 1 during the Term.

"Shared Building Area Costs" means all costs and expenses incurred by Sublandlord in connection with the operation, management, maintenance, repair, replacement and equipping of the Shared Building Areas, excluding Project Insurance Costs and Project Property Taxes. Without limiting the generality of the foregoing, Shared Building Area Costs shall include: (A) the cost of operating, maintaining, repairing, replacing, lighting, cleaning and painting the Shared Building Areas and any facilities and systems exclusively serving the same, including, without limitation, Mechanical Systems exclusively serving the Shared Building Areas, (B) the cost of separately metered or sub-metered utilities furnished to the Shared Building Areas, (C) personnel costs (e.g. salaries, benefits and payroll taxes) for employees who devote all or substantially all of their time to the operation, management, maintenance, repairs, replacing and/or equipping of the Shared Building Areas, (D) the cost of supplies and services that Sublandlord furnishes to the Shared Building Areas, (E) rental charges for machinery and equipment located in or exclusively serving the Shared Building Areas, (F) accounting, legal and other professional fees, and (G) the cost of reasonable seasonal or holiday decorations.

"Shared Building Areas" means the fitness facility, café, lockers, bathrooms, showers, server room, IT office, two (2) training rooms, one (1) shared conference room, one (1) shared storage area, reception area, lobby, landing area, corridors, hallways, security line, and related areas shown on **Exhibit E**, including, without limitation, all furniture, trade fixtures, equipment and other personal property that Sublandlord places in such areas for the general use or benefit the tenants, subtenants and other occupants of the Project.

"Sublandlord Exclusive Area" shall have the meaning ascribed to it in Section 6(d).

"Sublandlord's Retained Space" means the space described on **Exhibit F**, which Sublandlord continues to lease and exclusively occupy as of the Effective Date.

"Subleased Premises" shall have the meaning ascribed to it in the third (3rd) recital above. The Subleased Premises shall not include any rights in or to the roof or exterior of the Building or the land lying beneath the Subleased Premises.

"Subtenant Exclusive Area" shall have the meaning ascribed to it in Section 6(d).

"Subtenant's SBA Share" means, with respect to each calendar year during the Term, the greater of (i) sixty-one and three-tenths percent (61.3%), or (ii) the percentage equivalent of a fraction whose numerator is the average daily number of employees of Subtenant working at the Project during the immediately prior calendar year and whose denominator is the average daily number of employees of Subtenant, Sublandlord and any other tenant or occupant working at the Project during the immediately calendar year.

"Subtenant's POC Share" means fifty-nine percent (59%).

"Subtenant's PIT Share" means sixty-one and three-tenths percent (61.3%).

"Taking" means a taking by condemnation or eminent domain or a conveyance in lieu of such a taking.

"Term" means the term of this Sublease, as the same is extended or early terminated pursuant to the provisions hereof or any other written agreement entered into by Sublandlord and Subtenant.

2. Subleased Premises.

(a) Demise. Sublandlord hereby subleases the Subleased Premises to Subtenant during the Term, and Subtenant hereby subleases the Subleased Premises from Sublandlord during the Term, upon the terms and conditions set forth in this Sublease. Subtenant shall have access to the Subleased Premises and Subtenant Exclusive Areas twenty-four (24) hours per day, seven (7) days per week, throughout the Term, subject to the reasonable security controls, regulations and procedures established by Sublandlord for the Project, from time to time.

(b) Disclaimer. Except as otherwise expressly provided herein, Subtenant acknowledges and agrees that: (i) Sublandlord has not made, is not making and specifically disclaims any representation, warranty, guarantee or assurance to Subtenant regarding the Subleased Premises, the Common Areas or the Project, express or implied, including, without limitation, any representation, warranty, guaranty or assurance regarding title, physical condition, value, suitability, economic prospects, traffic flow, profit potential, compliance with Applicable Laws, zoning, environmental matters, Hazardous Substances, mold or mildew; (ii) the Subleased Premises are being leased to Subtenant in their present state and condition, "AS IS—WHERE IS" and with all faults; and (iii) Subtenant is responsible for all costs associated with placing the Subleased Premises in a condition fit for its use thereof, including, without limitation, the cost of all repairs, replacements and Alterations required to cause the Subleased Premises to comply with Applicable Laws.

3. Term. The term of this Sublease (the "Sublease Term") shall commence on Effective Date and expire on December 31, 2038, unless earlier terminated or extended in accordance with the terms hereof. Notwithstanding anything to the contrary contained in this Sublease, if the Master Lease is terminated pursuant to the terms thereof, this Sublease shall terminate effective as of the date the Master Lease is so terminated; provided, the foregoing shall not be deemed to modify, limit or reduce the liability of Sublandlord or Subtenant, as applicable, as a result of any termination of the Master Lease due to or as a result of its default under this Sublease.

4. Rent.

(a) Base Rent. Throughout the Term, Subtenant shall pay Sublandlord base rent (the "Base Rent") for the Subleased Premises in accordance with the terms of this section. Subject to the other terms hereof, the Base Rent shall be paid in equal monthly installments, in advance, with the first monthly installment of Base Rent being due ten (10) Business Days after the Effective Date and with subsequent monthly installments of Base Rent being due on the first (1st) day of each month thereafter during the Term. The monthly installment of Base Rent shall be prorated for any partial month during the Term. The Base Rent initially shall be One Million Eight Hundred Eighteen Thousand Seven Hundred Forty-Three and 04/100 Dollars ($1,818,743.04) per annum, payable in equal monthly installments of $151,561.92 per month. The Base Rent shall be subject to adjustment as expressly provided in this Sublease. On each Rent Adjustment Date during the Term, the Base Rent shall be increased by one and seventy-five hundredths percent (1.75%).

(b) Additional Rent. Subtenant agrees to pay Sublandlord of the following amounts (collectively, the "Additional Rent"): (i) Subtenant's SBA Share of the Shared Building Area Costs allocable to each calendar year during the Term, prorated for any calendar year falling partially within the Term; (ii) Subtenant's POC Share of the Project Operating Costs allocable to each calendar year during the Term, prorated for any calendar year falling partially within the Term; and (iii) Subtenant's PIT Share of the Project Insurance Costs and Project Property Taxes allocable to each calendar year during the Term, prorated for any calendar year falling partially within the Term, subject to Section 5(e). Subtenant shall pay one-twelfth (1/12th) of Sublandlord's reasonable estimate of the Additional Rent for each calendar year on or before the first (1st) day of each month during such calendar year. Following the end of each calendar year within the Term, Sublandlord shall furnish Subtenant with a final statement (the "Expense Statement") showing the Shared Building Area Costs, Project Operating Costs, Project Insurance Costs and Project Property Taxes during such year and calculating the Additional Rent for such year. Notwithstanding anything to the contrary contained herein, if Sublandlord fails to charge Subtenant for any amount that may be included in Shared Building Area Costs, Project Operating Costs, Project Insurance Costs or Project Property Taxes within one (1) year after the end of the calendar year in which Sublandlord paid such amount, then Sublandlord shall cease to have the right to charge Subtenant for its share of such amount under this Section 4(b). If the estimated payments made by Subtenant pursuant to this section are not sufficient to cover the actual amount of the Additional Rent for any calendar year, then Subtenant shall pay Sublandlord the deficiency within thirty (30) days after Subtenant's receipt of the Expense Statement for such year. If the estimated payments made by Subtenant pursuant to this section exceed the actual amount of the Additional Rent for any calendar year, then the excess shall be credited against the Rent next coming due after Subtenant's receipt of the Expense Statement for such year; provided, any such excess existing at the end of the Term shall be refunded to Subtenant within thirty (30) days thereafter, except if Subtenant is in default hereunder, Sublandlord shall not be required to refund such excess until the default is cured by Subtenant.

Within one hundred eighty (180) days after its receipt of any Expense Statement, Subtenant or its authorized representatives may review Sublandlord's records related to the Additional Rent detailed in such Expense Statement; provided such review shall be conducted at Sublandlord's offices during normal business hours and Subtenant shall schedule such review at a time reasonably acceptable to Sublandlord. If any such review reveals that Subtenant has paid Sublandlord more than the Additional Rent for any year

due under this section (an "Expense Overpayment"), then (i) Subtenant shall notify Sublandlord, in writing, of the Expense Overpayment within thirty (30) days after its completion of such review, and (ii) Sublandlord shall promptly refund the Expense Overpayment to Subtenant following its receipt of written notice thereof, excluding any amount that Sublandlord disputes. If any such review reveals an underpayment of the Additional Rent owed by Subtenant under this section for any year (an "Expense Underpayment"), then Subtenant shall pay to Sublandlord the Expense Underpayment within thirty (30) days after completion of such review. If Subtenant engages a third party to review any of Sublandlord's records related to the Additional Rent, such third party must execute a confidentiality agreement, in form and substance reasonably acceptable to Sublandlord, prior to conducting any such review. Should Sublandlord reasonably dispute the results of any such review, the parties shall work in good faith to resolve such dispute for a period of thirty (30) days. Subtenant shall not use any person or entity to inspect, review or audit Sublandlord's records related to Additional Rent whose fee is based, in whole or in part, on the results of such inspection, review or audit. Notwithstanding anything to the contrary contained herein, if Subtenant does not review Sublandlord's records related to any Additional Rent within the one hundred eighty (180) day period provided under this section or Subtenant does not notify Sublandlord, in writing, of an Expense Overpayment within the period required under this section, then Subtenant shall cease to have any right to review such records or receive a refund of such Expense Overpayment.

(c) Late Charges. If Subtenant fails to pay any installment of Rent due under this Sublease within five (5) days after the same is due, then (i) Subtenant shall pay Sublandlord a late charge equal to five percent (5%) of such installment for the purposes of defraying Sublandlord's administrative expenses relative to handling such overdue payment; and (ii) such installment shall bear interest from the date due until paid at the lesser of ten percent (10%) per annum or the maximum rate permitted under Applicable Laws (the "Default Rate"); provided, no such late fee or interest shall be due with respect to the first (1st) late installment of Rent during any twelve (12) month period so long as Subtenant pays such late installments of Rent to Sublandlord within ten (10) days after Sublandlord gives Subtenant written notice thereof. The parties agree that the provisions of this section are reasonable and shall not be deemed (i) a consent by Sublandlord to late payments, (ii) a penalty, (iii) a waiver of Sublandlord's right to insist on the timely payment of Rent, or (iv) a waiver or limitation of the rights and remedies available to Sublandlord on account of the late payment of any Rent.

(d) Payment. Except as otherwise expressly provided herein, all Rent shall be paid by Subtenant to Sublandlord without deduction, demand, notice, offset or abatement, in U.S. Dollars. Subtenant shall deliver all Rent to Sublandlord at the address specified in Section 22 or such other place as Sublandlord may designate to Subtenant by written notice. Sublandlord may, at its option, require that Subtenant pay the Rent by electronic funds transfer to such account as Sublandlord may designate to Subtenant by written notice.

(e) Rental Taxes. If, at any time during the Term, (i) a tax or assessment is levied directly on any of the Rent, including, without limitation, any sale tax, or (ii) a tax or assessment, other than a general income tax, is imposed on Sublandlord that is based on the Rent, then Subtenant shall reimburse Sublandlord for such tax or assessment, from time to time, within thirty (30) days after Sublandlord's written demand therefor.

5. Use and Operation.

(a) Use. Subtenant shall have the right to use the Subleased Premises for the Permitted Uses. Subtenant shall not use the Subleased Premises for any purpose other than the Permitted Uses, unless Subtenant obtains Sublandlord's prior written consent, which consent shall not be unreasonably withheld, qualified or delayed. If Subtenant desires to use the Subleased Premises for any purpose of other than the Permitted Uses, Sublandlord may require that Subtenant obtain the Landlord's prior written consent. Subtenant shall conduct its operations and activities on the Subleased Premises in material compliance with all Applicable Laws. Subtenant shall indemnify, defend and hold harmless Landlord and Sublandlord from

and against any third-party claims and associated lawsuits, governmental actions, obligations, liabilities, damages, costs and expenses (including, without limitation, court costs, litigation expenses and attorneys' fees) caused by Subtenant's failure to conduct its operations and activities at the Subleased Premises in compliance with Applicable Laws. Subtenant shall have the right to discontinue its operations in the Subleased Premises, in whole or in part, at any time Subtenant determines appropriate, in its sole and absolute discretion. Nothing contained in this Sublease shall be deemed to require Subtenant to use or occupy the Subleased Premises, and Subtenant's vacation of the Subleased Premises or failure to use or occupy the Subleased Premises shall not constitute a default hereunder. Notwithstanding Subtenant's election to discontinue its operations at the Subleased Premises, Subtenant shall comply with all of the terms of this Sublease, Subtenant shall not cancel electric or water service to the Subleased Premises, and the Subleased Premises shall continue to be fully heated and cooled as if the same were fully occupied.

(b) No Waste. Subtenant shall not commit or allow any waste to be committed with respect to any portion of the Subleased Premises by Subtenant or any of its employees, agents, subtenants, contractors, representatives, guests or invitees.

(c) Hazardous Substances. Subtenant may store, use, handle and generate Hazardous Substances at the Subleased Premises in connection with the Permitted Uses in commercial quantities normally associated therewith, in accordance with Subtenant's practices immediately prior to the Effective Date, and in compliance with Applicable Laws. During the Term, Subtenant shall be responsible for disposing of all Hazardous Substances generated by Subtenant's operations at the Subleased Premises (including, without limitation, the operations of its employees, Affiliates, contractors, subtenants and licensees operations at the Subleased Premises), at Subtenant's expense. Subtenant shall comply with all Applicable Laws in connection with Subtenant's storage, use, handling and generation of Hazardous Substances at the Subleased Premises. Upon the expiration or earlier termination of this Sublease or Subtenant's right to possession of the Subleased Premises, Subtenant shall remove all Hazardous Substances being kept on the Subleased Premises by Subtenant, its employees, Affiliates, contractors, subtenants and licensees, in accordance with Applicable Laws. Subtenant shall indemnify, defend and hold harmless Sublandlord and Landlord from and against all third-party claims and associated lawsuits, governmental actions, obligations, liabilities, costs and expenses (including, but not limited to, court costs, reasonable attorneys' fees and remediation costs) caused by Subtenant's or any of its employees, agents, subtenants, contractors, representatives, guests or invitees use, generation, handling, storage, or release of any Hazardous Substances on, under or about the Subleased Premises or the Project during the Term in violation of Applicable Laws (any such release being referred to as "Subtenant Contamination"); provided, Subtenant Contamination shall not include any such release caused by Sublandlord or any of Sublandlord's employees, agents, contractors or representatives. Subtenant's indemnification obligations in this section shall include the obligation to defend Sublandlord and Landlord, with counsel reasonably satisfactory to each of them, in any proceedings, all at Subtenant's expense. Subtenant's indemnification obligations under this section shall survive the expiration or earlier termination of this Sublease and shall not be limited by any provisions of this Sublease limiting Subtenant's liability hereunder. In the event of any Subtenant Contamination, Subtenant shall investigate, monitor, clean-up, remove, abate and remediate the Subtenant Contamination to the extent required to comply with Applicable Laws, including, without limitation, any requirements of a governmental authority imposed in accordance with Applicable Laws, and in a manner that does not materially interfere with Sublandlord's or any of its other subtenants or licensees use of the Project.

Sublandlord shall not use, store, generate, release or discharge any Hazardous Substances on the Subleased Premises or Common Areas in violation of Applicable Laws. Sublandlord shall indemnify, defend and hold harmless Subtenant from and against all third-party claims and associated lawsuits, governmental actions, obligations, liabilities, costs and expenses (including, but not limited to, court costs, reasonable attorneys' fees and remediation costs) caused by Sublandlord's or any of its employee's, Affiliate's, contractor's, representative's or licensee's release of any Hazardous Substances on, under or about the Subleased Premises or Common Areas during the Term in violation of Applicable

Laws (any such release being referred to as "Sublandlord Contamination"). Sublandlord's indemnification obligations in this section shall include the obligation to defend Subtenant, with counsel reasonably satisfactory to Subtenant, in any proceedings, all at Sublandlord's expense. Sublandlord's indemnification obligations under this section shall survive the expiration or earlier termination of this Sublease and shall not be limited by any provisions of this Sublease limiting Sublandlord's liability hereunder. In the event of Sublandlord Contamination, Sublandlord shall investigate, monitor and clean-up, remove, abate and remediate such Sublandlord Contamination to the extent validly required by any governmental authority under Applicable Law, and in a manner that does not materially interfere with Subtenant's use of the Subleased Premises.

(d) Sanitation. Subtenant shall keep the Subleased Premises in a clean and sanitary condition, and Subtenant shall not permit undue accumulations of garbage, trash, rubbish or other refuse within the Subleased Premises. Subtenant shall keep all refuse in proper containers until disposal of such refuse from the Subleased Premises. Subtenant shall not mix or dispose of any Hazardous Substances with general office refuse or other non-regulated waste. Subtenant shall properly dispose of all refuse generated by Subtenant's operations in the Subleased Premises, including, without limitation, all Hazardous Substances, in accordance with Applicable Laws.

(e) Compliance. Subtenant shall conduct its operations in the Subleased Premises in a manner that complies with all Applicable Laws. Subtenant shall not use the Subleased Premises, Subtenant's Exclusive Area or the Common Areas in any manner that (i) constitutes a nuisance, (ii) materially interferes or materially disturbs with any other Persons use of the Project, or (iii) is illegal. Subtenant shall keep the Subleased Premises in a safe condition.

(f) Incentive Agreements. Subtenant shall not violate any of the Incentive Agreements. In addition, Subtenant shall comply with all covenants and obligations, on behalf of Sublandlord, under the Incentive Agreements pertaining to the Subleased Space, Subtenant's operations at the Project (collectively, the "Subtenant Incentive Obligations"), including, without limitation, the timely provision of any and all employment information related to Subtenant's employees required for submission pursuant to any compliance reports or other obligations under the Incentive Agreements and all insurance and maintenance requirements. Subtenant shall indemnify, defend and hold harmless the Landlord and Sublandlord from and against all third party claims (including, but not limited to, claims by the County) and resulting liabilities arising or resulting from Subtenant's violation of the Incentive Agreements or Subtenant's failure to comply with and satisfy all of the Subtenant Incentive Obligations or Subtenant's default under this section or any of the Incentive Agreements. Notwithstanding anything to the contrary, Subtenant agrees to maintain seventy-five percent (75%) ("Subtenant's QJ Share") of the "Qualifying Jobs" as that term is defined in the Incentive Agreements, and Sublandlord agrees to maintain twenty-five percent (25%) ("Sublandlord's QJ Share") of the Qualifying Jobs.

(i) Subtenant shall pay any increase in the PILOT Payments owed by Sublandlord, any increase in the Project Property Taxes owed by Sublandlord, and any other amounts owed by Sublandlord under the Incentive Agreements (collectively, the "Incentive Recapture Obligation") to the extent the Incentive Recapture Obligation is due solely to Subtenant's violation of the Incentive Agreements, the Subtenant Incentive Obligations or this section;

(ii) Sublandlord shall pay any Incentive Recapture Obligation to the extent the Incentive Recapture Obligation is due solely to Sublandlord's violation of the Incentive Agreements or this section; and

(iii) If Sublandlord and Subtenant both fail to maintain the number of Qualifying Jobs required under this section, based on Subtenant's QJ Share and Sublandlord's QJ Share, and there is any Incentive Recapture Obligation owed by Sublandlord due to such failure, then Subtenant shall pay a portion of such amounts as determined by the following formula:

(A) multiply Subtenant's QJ Share by the total number of Qualifying Jobs required to be maintained in the applicable year pursuant to the Incentive Agreements and round to the nearest whole number in order to determine the number of Qualifying Jobs that are required to be maintained by Subtenant for such year;

(B) multiply Sublandlord's QJ Share by the total number of Qualifying Jobs required to be maintained in the applicable year pursuant to the Incentive Agreements and round to the nearest whole number in order to determine the number of Qualifying Jobs that are required to be maintained by Sublandlord for such year;

(C) then, determine the percentage of the job shortfall attributable to Subtenant by dividing (i) the shortfall in the number of Qualifying Jobs actually employed by Subtenant for such year relative to the number of Qualifying Jobs attributable to Subtenant pursuant to Subtenant's QJ Share by (ii) the total shortfall in Qualifying Jobs by both Subtenant and Sublandlord for such year; and

(D) multiply such percentage by the Incentive Recapture Obligation.

(g) Rules. Subtenant shall comply, and cause its employees, agents, subtenants, contractors, representatives, guests or invitees to comply, with all rules and regulations promulgated by Sublandlord or Landlord for the Subleased Premises and/or the Common Areas, as the same may be amended, modified or supplemented, from time to time (collectively, the "Rules"); provided, the Rules shall not materially increase Subtenant's obligations, materially decrease Subtenant's rights under this Sublease, or materially interfere with Subtenant's use of the Subleased Premises in a manner that complies with the other terms of this Sublease. Sublandlord shall furnish Subtenant with a copy of the initial Rules within ten (10) Business Days after the Effective Date, and the parties shall execute an amendment attaching the initial Rules as an exhibit to this Lease and incorporating the same herein.

(h) Solar / Telecommunications Rights. Subtenant shall have the non-exclusive right to install solar and telecommunications equipment, systems and facilities serving the Subleased Premises at the Project, including, without limitation, on the roof of the Building; provided, (i) Subtenant shall not install any such solar or telecommunications equipment, systems or facilities unless it has obtained Sublandlord's prior written consent, which consent shall not be unreasonably withheld, qualified or delayed, (ii) Subtenant shall ensure such solar and telecommunication equipment, systems and facilities do not interfere with any of Sublandlord's equipment, systems or facilities, and (iii) Sublandlord shall have the right to designate the location for any such solar or equipment, systems or facilities. Sublandlord may condition its approval of any such solar or telecommunications equipment on Subtenant obtaining Landlord's written approval thereof. If Subtenant is permitted to install any solar or telecommunications equipment, systems or facilities on the rooftop pursuant to this section, Subtenant must comply with Section 9 below.

(i) Signage. Subtenant may install signs on any common exterior pylon or monument sign for the Project; provided Subtenant obtains Sublandlord prior written approval of such signs, which approval shall not be unreasonably withheld, qualified or delayed. Except for signs permitted under the preceding sentence, Subtenant shall not install any signs located or visible outside the Subleased Premises unless the same have been approved, in writing, by Sublandlord, which approval may be granted or withheld by Sublandlord in its sole and absolute discretion. Subtenant shall keep its signage at the Project in a good and attractive condition, and Subtenant shall ensure that such signage complies with all Applicable Laws and the Permitted Exceptions. Subtenant shall repair any damage to the Subleased Premises caused by the installation or removal of the Subtenant's Signs.

6. Common Areas.

(a) Common Areas. Subject to and in accordance with the other terms of this Sublease, Subtenant and its employees and visitors shall have the non-exclusive right to use the Common Areas during the Term for their intended purpose. Unless Sublandlord and Subtenant agree otherwise, in writing, the Common Areas shall be open 24 hours per day, 7 days per week.

(b) Training and Conference Rooms. Sublandlord and Subtenant each shall have the right to use the training and conference rooms that are part of the Shared Building Areas, in accordance with reasonable scheduling procedures established by Sublandlord, from time to time. Subtenant and Sublandlord shall have equal rights to reserve and use such training and conference rooms in connection with its operations at the Project. Accordingly, Sublandlord shall use reasonable efforts to establish and administer the procedures governing the reservation and use of such training and conference rooms in a fair and non-discriminatory manner.

(c) Server and IT Room. Subject to and in accordance with the terms of this section, Subtenant and Sublandlord each shall have the non-exclusive right to use the "Server" room and "IT Office" that are part of the Shared Building Areas, as shown on **Exhibit E** (collectively, the "Shared IT Areas"), for the limited purpose of installing and operating computer servers, telecommunication systems and related equipment serving its operations at the Project and activities incidental thereto. Each of the parties shall place its computer servers, telecommunication systems and related equipment within the Shared IT Areas in locked and secure cabinets that are adequate to safeguard and protect the same. Access to the Shared IT Areas shall be limited to qualified IT personnel of Sublandlord and Subtenant. Sublandlord may establish reasonable rules, access controls and restrictions governing the Shared IT Areas to prevent access by unauthorized persons, and Subtenant shall comply with such rules, controls and restrictions. Each of the parties shall be responsible for securing, backing-up and safeguarding its computer servers, telecommunications systems and related equipment in the Shared IT Areas (and the information thereon). Sublandlord shall not be responsible or liable for any bad acts, criminal acts, theft, or misconduct of a third- party (including, without limitation, any malware, viruses, hacking, password attacks, denial of service attacks, phishing, hijacking or web jacking, or other cyber-attacks) affecting Subtenant's computer servers, telecommunications systems and related equipment, or any information stored therein. In addition, Sublandlord shall not be responsible or liable for any damage to Subtenant's computer servers, telecommunications systems and related equipment, or any information stored therein, caused by fire, casualty, utility interruption or other cause, unless due to Sublandlord gross negligence or willful misconduct. Each of the parties shall utilize the Shared IT Areas in a manner that: (i) does not materially interfere with the other parties use thereof; and (ii) does not overload or damage the Shared IT Areas or any of the utility lines or other systems serving the same. Prior to making any material changes to its servers, telecommunication systems and/or other equipment in the Shared IT Areas, each party shall coordinate with the other party in an effort to ensure that such changes do not adversely affect or interfere with the other party's servers, telecommunication systems and/or equipment in the Shared IT Areas. Each of the parties shall keep the Shared IT Areas free of trash and debris resulting from its activities and shall promptly clean- up any mess that it causes therein.

(d) Loading Docks and Storage Areas. Subtenant shall have the exclusive right to use the driveways, trailer parking areas and outdoor storage areas shown as "Subtenant Exclusive Areas" on **Exhibit A**; provided, the same shall be maintained, repaired and replaced by Sublandlord as a part of the Common Areas and the cost of such maintenance, repairs and replacements shall be included in Project Operating Costs. Sublandlord shall have the exclusive right to use the driveways, trailer parking areas, guard house, truck queuing area and outdoor storage areas shown as "Sublandlord Exclusive Areas" on **Exhibit A**; provided, the same shall be maintained, repaired and replaced by Sublandlord as a part of the Common Areas and the cost of such maintenance, repairs and replacements shall be included in Project Operating Costs. Subtenant shall be responsible for securing the Subtenant Exclusive Areas, and Sublandlord shall be responsible for securing the Sublandlord Exclusive Areas.

(e) Risk of Loss. Subtenant shall bear the risk of loss with respect to any of its trade fixtures, furnishings, equipment, and other personal property placed in the Common Areas, and neither Sublandlord nor the Landlord shall be liable for any damage to or theft of the same, unless directly due to its gross negligence or willful misconduct. In addition, Sublandlord shall not be responsible or liable for any bad acts, criminal acts, theft, or misconduct of a third-party occurring in the Common Area or the Subtenant Exclusive Areas.

(f) Modification. Sublandlord may make non-material Alterations to the Common Areas, from time to time, in such manner as Sublandlord deems desirable, in its sole and absolute discretion. Sublandlord shall not make any material Alterations to the Common Areas unless Sublandlord obtains Subtenant prior written approval thereof, which approval shall not be unreasonably withheld, qualified or delayed. The work required to make any such changes or any repairs, maintenance or replacements to the Common Areas may temporarily interfere with Subtenant's use of the Common Areas, and any such interference shall not constitute a constructive eviction of Subtenant, result in an abatement of Rent, relieve Subtenant from any of its obligations or liabilities under this Sublease, or otherwise give rise to a claim against Sublandlord. The Project Common Areas (or a portion thereof) may be closed, from time to time, by Sublandlord to the extent Sublandlord deems necessary to prevent the public or any person or entity from acquiring any rights or easements therein; provided, Sublandlord shall not close any of the Common Areas in a manner that materially interferes with Subtenant's use of the Subleased Premises or the Subtenant Exclusive Areas.

7. Services.

(a) General. Sublandlord shall use reasonable efforts to furnish the following services during the Term (the "Sublandlord Services"):

(i) heating and air conditioning for the Shared Building Areas, at levels sufficient for the comfortable use thereof, during periods when the same are open; and

(ii) heating for warehouse space that is part of the Shared Building Areas, the Subleased Premises and the Sublandlord's Retained Space, in accordance with Sublandlord's practices immediately prior to the Effective Date or in such other manner as is mutually agreed upon by Sublandlord and Subtenant, in writing; and

(iii) general housekeeping service for the Shared Building Areas required to keep the same in a reasonably good order and reasonably clean condition; and

(iv) supplies for the Shared Building Areas, including, without limitation, the fitness facility, showers, restrooms and café, in accordance with Sublandlord's practices immediately prior to the Effective Date or in such other manner as is mutually agreed upon by Sublandlord and Subtenant, in writing; and

(v) elevator service, 24 hours per day, 365 days per year, utilizing the elevators forming a part of the Common Areas, for non-exclusive use by Subtenant, Sublandlord and their respective employees, agents, subtenants, contractors, representatives, guests and invitees, provided, Sublandlord may impose reasonable restrictions, regulations and security requirements on the use of such elevators; and

(vi) security services for the Common Areas in such manner as Sublandlord's deems appropriate, provided that Sublandlord shall have no obligation to provide a certain level of security and Sublandlord shall not be liable for the bad acts, criminal acts, theft, or misconduct of any third-party; and

(vii) electricity and lighting for the Common Areas to the extent required for the proper use and operation thereof, in accordance with Sublandlord's practices immediately prior to the Effective Date or in such other manner as is mutually agreed upon by Sublandlord and Subtenant, in writing; and

(viii) electricity, 24 hours per day, 365 days per year, for (A) the lighting system and incidental outlets within the warehouse space that is part of the Building to the extent the same are not separately metered or sub-metered, and (B) electricity for portions of the Subleased Premises, Sublandlord's Retained Space, the Sublandlord Exclusive Area, and the Subtenant Exclusive Area that are sub-metered; and

(ix) snow and ice removal and mitigation for the Project Common Areas to the extent Sublandlord reasonably deems appropriate and to the extent reasonably possible under the circumstances; and

(x) trash removal service for ordinary waste generated by the use of the Shared Building Areas and Subtenant's and Sublandlord's operations at the Project, provided, (A) Subtenant shall be responsible for transporting its waste to the dumpsters designated by Sublandlord, from time to time, and (B) Sublandlord may elect to discontinue providing waste removal service for Subtenant operations in the Subleased Premises (but not the Shared Building Areas) at any time (in which case the cost of waste removal from operations with the Subleased Premises and the Sublandlord's Retained Space shall not be included in Project Operating Costs); and

(xi) hot and cold water as required for normal drinking, cleaning and lavatory purposes for the Shared Building Areas, the Subleased Premises and the Sublandlord's Retained Space, at existing points of supply; and

(xii) sanitary sewer service for normal lavatory purposes for the Shared Building Areas, the Subleased Premises and the Sublandlord's Retained Space, at existing points of supply.

All costs and expenses incurred by Sublandlord to provide the Sublandlord Services may be included by Sublandlord in the Shared Building Area Costs and the Project Operating Costs, as applicable; provided, the cost of sub-metered utilities for the Subleased Premises, Sublandlord's Retained Space, the Sublandlord Exclusive Area, and the Subtenant Exclusive Area shall be paid by Subtenant and Sublandlord, as applicable, in accordance with Section 7(e) and shall not be included in Shared Building Area Costs or Project Operating Costs.

(b) Telecommunications and Data Service. All telecommunications, telephone, internet and data service (including, without limitation, the installation of any equipment with respect thereto) for the Subleased space shall be the sole responsibility and at the cost of Subtenant; provided, Sublandlord may require that Subtenant utilize the vendor or vendors providing such services to other portions of the Project.

(c) Extra Services. Upon request by Subtenant, Sublandlord may provide services that are extra or additional to those services described in Section 7(a); provided, Sublandlord shall not be obligated to provide any extra or additional services. Subtenant shall pay for any such extra or additional services provided by Sublandlord at Sublandlord's reasonable rates for such services, from time to time. All charges for any such extra or additional services provided by Sublandlord shall be due and payable within fifteen (15) days after Subtenant receives Sublandlord's bill therefor. If Subtenant fails to pay, when due, Sublandlord's charges for any such extra or additional services, Sublandlord may discontinue providing any such extra or additional services, in addition to any other remedies available to Sublandlord under this Sublease, at law or in equity.

(d) Energy Conservation. Sublandlord's compliance with any mandatory or voluntary energy, utility or resource conservation measures, including, without limitation, any such measures required under Applicable Laws, shall not be considered a violation of the terms of this Sublease and shall not entitle Subtenant to terminate this Sublease or result in the abatement or reduction of the Rent; provided, any voluntary energy, utility or resource conservation measures implemented by Sublandlord shall not materially interfere with the operation of Subtenant's business in the Subleased Premises.

(e) Utilities. Subtenant shall pay directly to the applicable provider, when due, for all separately metered utilities exclusively serving the Subleased Premises and any equipment not located within the Subleased Premises but exclusively serving the Subleased Premises (including, without limitation, any HVAC units). As to all sub-metered utilities exclusively serving the Subleased Premises, the Subtenant Exclusive Area, any equipment therein, and/or any equipment not located within the Subleased Premises but exclusively serving the Subleased Premises (including, without limitation, any HVAC units), Subtenant shall reimburse Sublandlord, from time to time, for the actual cost of such utility service (including, without limitation, capacity charges, demand charges, taxes, and other fees), within fifteen (15) days after Subtenant's receipt of a written invoice from Sublandlord, no more often than monthly. Sublandlord has installed or shall promptly install separate meters or sub-meters measuring the electricity furnished to Subleased Premises, Sublandlord's Retained Space, the Sublandlord Exclusive Area and the Subtenant Exclusive Area; provided, Sublandlord may elect not to, at its option, separately meter or sub-meter the lighting system and/or any incidental outlets in the warehouse space of the Building. Subtenant shall reimburse Sublandlord for the reasonable cost of all meters and sub-meters installed by Sublandlord to measure electricity furnished to Subleased Premises and/or the Subtenant Exclusive Area, any equipment therein, and/or any equipment not located within the Subleased Premises but exclusively serving the Subleased Premises (including, without limitation, any HVAC units), within thirty (30) days after Subtenant's receipt of a written invoice from Sublandlord. Subtenant shall ensure that all electricity furnished to the equipment in the warehouse space that is part of the Subleased Premises is separately metered or sub-metered.

(f) Interruptions. Unless due to the gross negligence or willful misconduct of Sublandlord or any of its agents, employees, contractors or representatives or any Sublandlord Default, Sublandlord shall not be liable for the interruption or cessation of any of the Sublandlord Services or any utility service and there shall be no abatement or reduction of the Rent as a result of any such interruption or cessation and any such disruption shall not relieve Subtenant of any of its obligations or liabilities under this Sublease. If any utility service to the Subleased Premises or any other portion of the Project is disrupted to such an extent that Subtenant cannot operate its business in the Subleased Premises for a period of more than seventy-two (72) hours due to Landlord's or any of its agent's, employee's, contractor's or representative's affirmative negligent act or willful misconduct or any Sublandlord Default, then the Rent shall abate during the period Subtenant is unable to operate its business in the Subleased Premises due to such disruption. The interruption or cessation of the Sublandlord Services or any utility service to the Subleased Premises shall not result in constructive eviction, render Sublandlord liable to Subtenant for damages, or, except as otherwise expressly provided herein, relieve Subtenant from performance of Subtenant's obligation under this Sublease.

(g) Subtenant Supplied Services. Notwithstanding anything to the contrary contained herein, Subtenant, at its sole cost and expense, shall contract directly with one or more Persons for general housekeeping and janitorial services with respect to the Subleased Premises. Subtenant shall obtain Sublandlord written approval of the Person or Persons providing such housekeeping and janitorial services to the Subleased Premises, and Sublandlord may, at its option, require that Subtenant utilize the Person providing cleaning services to other portion of the Project. In addition, Subtenant shall be solely responsible for obtaining, at its expense, all monitoring, alarm, and security services for the Subleased Premises that Subtenant deems necessary or desirable, and Sublandlord shall have no liability or responsibility for providing any such services to the Subleased Premises. In the event Subtenant desires to install any alarm, monitoring, access control or security system in or serving the Subleased Premises, Subtenant shall obtain Sublandlord's prior written approval of the same. Subtenant acknowledges that it will be required to replace the card reader system used to control access to the Subleased Premises, at its expense, promptly after the Effective Date.

(h) Vendor Insurance & Compliance. Subtenant shall cause any vendors working at the Subleased Premises (but excluding vendors simply delivering products to the Subleased Premises) to maintain general liability insurance and other insurance reasonably required by Sublandlord, from time to time, which insurance shall name Sublandlord and Subtenant as additional insureds and satisfy Sublandlord's reasonable insurance requirements. In addition, Subtenant shall cause evidence of such insurance coverage to be furnished to Sublandlord, from time to time, upon Sublandlord's request. Any vendors performing work or providing services at the Subleased Premises shall be required by Subtenant to comply with all reasonable rules and regulations promulgated by Sublandlord, from time to time.

8. Maintenance and Repair.

(a) Subtenant's Obligations. Except for repairs, maintenance and replacements to the Common Areas and the roof, foundation, floor slab, structural elements and exterior walls of the Project that are expressly Landlord's responsibility under the Master Lease, Subtenant shall perform all repairs and maintenance required to keep the Subleased Premises and all equipment, systems and facilities exclusively serving the Subleased Premises in a reasonably good and clean condition, in good working order and in compliance with the Incentive Agreements (including, but not limited to, interior walls, windows, Mechanical Systems, interior lighting, cabinets, doors, locks, paint, wall coverings and floor coverings), excluding ordinary wear and tear and damage caused by fire, casualty or any Taking. All repairs and maintenance that are Subtenant's responsibility under this Sublease shall be completed in a good and workmanlike manner and in compliance with all Applicable Laws. If any repairs, maintenance or replacements are required as a result of damage to the Subleased Premises or any equipment, systems or facilities exclusively serving the Subleased Premises directly caused by Sublandlord or its agents, employees, contractors or representatives, excluding ordinary wear and tear, damaged caused by fire or other casualty, and damage that is subject to the waiver set forth in Section 10(c), then Sublandlord shall reimburse Subtenant for the third party actual, verifiable and reasonable cost of such repairs, maintenance or replacements, within sixty (60) days of Sublandlord's receipt of a written demand for the same from Subtenant, accompanied by reliable evidence of the costs for which reimbursement is sought.

(b) HVAC and Pest Control. During the Term, Subtenant shall retain*:* (i) a reputable and experienced contractor approved by Sublandlord, in writing, to conduct at least quarterly inspections and servicing of the HVAC systems exclusively serving the portions of the Subleased Premises located in the office building forming a part of the Project, including, but not limited to, at least quarterly filter changes, manufacturer recommended maintenance, and repairs determined to be necessary as a result of such inspections; and (ii) a reputable and experienced exterminator approved by Sublandlord, in writing, to perform at least quarterly inspections and treatments of the Subleased Premises to prevent pest infestations. If Sublandlord implements an HVAC maintenance program or pest control program for the Project, Subtenant shall participate in the same, including, without limitation, utilizing the service provider(s) under such program. Subtenant shall provide Sublandlord with copies of the HVAC contracts and pest control contracts that it is required to maintain under this section and all reports or maintenance information generated pursuant thereto. For avoidance of doubt, a heating or air conditioning unit shall not be deemed to exclusively serve the Subleased Premises or Sublandlord's Retained Space in warehouse areas since the same are not enclosed by demising walls.

(c) Sublandlord Obligations. Except for portions of the Project that Landlord is required to maintain, repair and replace under the Master Lease, Sublandlord shall perform all repairs and maintenance required to keep the Common Areas in a reasonably good and clean condition, in working order and in compliance with the Incentive Agreements (including, but not limited to, any HVAC systems and utility lines that do not exclusively serve the Subleased Premises or the Sublandlord's Retained Space, parking lot lights, parking areas, access drives, sidewalks, exterior utility lines and facilities, sewer treatment facilities, back-up generators, water towers, landscaping, storm water drainage, detention and/or retention facilities, and signage), excluding ordinary wear and tear, damage caused by fire, casualty or any Taking, and utility lines and facilities to be maintained by any utility company. In addition, Sublandlord shall perform all maintenance and repairs to the roof of the Building that are Sublandlord's responsibility under the Master Lease. The gas heating units located in the warehouse space forming a part of the Subleased Premises and the Sublandlord's Retained Space are part of the Project Common Areas and shall

be controlled by and maintained, repaired and replaced by Sublandlord. The cost of all repairs, maintenance and replacements performed by Sublandlord pursuant to this section may be included by Sublandlord in Shared Building Area Costs and Project Operating Costs, as applicable. If any repairs, maintenance or replacements are required to the Project as a result of damage caused by Subtenant or its Affiliates, agents, employees, contractors or representatives, excluding ordinary wear and tear and damage that is subject to the waiver set forth in Section 10(d), then Subtenant shall reimburse Sublandlord or Landlord, as applicable, for the third party actual, verifiable and reasonable cost of such repairs, maintenance or replacements, within sixty (60) days of Subtenant's receipt of a written demand for the same, accompanied by reliable evidence of the costs for which reimbursement is sought.

(d) Self-Help. In the event Subtenant fails to make any repairs, maintenance or replacements that are its responsibility under this Section 8 or fails to maintain any contracts required under Section 8(b) and Subtenant does not cure such failure within thirty (30) days after Sublandlord notifies Subtenant of the need for the same, in writing, then Sublandlord may (but shall not be obligated to) cure such failure on behalf of Subtenant and enter upon the Subleased Premises to the extent necessary in connection therewith; provided, in cases of emergency or where such failure creates an imminent risk of personal injury or property damage, Sublandlord may (but shall not be obligated to) immediately cure such failure. Subtenant shall reimburse Sublandlord, on written demand, for all reasonable costs incurred by Sublandlord to cure any such failure, plus Subtenant shall pay Sublandlord an administrative fee equal to five percent (5%) of such costs.

9. Alterations.

(a) Equipment. To the extent of Sublandlord's rights under the Master Lease without Landlord's approval, Subtenant may, without obtaining Sublandlord's approval, install all equipment that Subtenant deems necessary or desirable in connection with the Permitted Uses, whether now existing or hereafter developed, so long as such equipment does not exceed the load bearing capacity or otherwise materially and adversely damage the structure of the Building, Subtenant complies with all Applicable Laws, the Master Lease and the other terms of this Lease, such equipment does not overload any utility or other system, Subtenant causes the power and other utilities connected to such equipment to be separately metered or sub-metered, and such equipment will not have a material adverse effect on Sublandlord's use of Sublandlord's Retained Space or the Common Areas; provided Subtenant shall not alter the roof, foundation or other structural elements of the Building, unless Tenant obtains Sublandlord's prior written approval as provided below. For avoidance of doubt and without limiting Subtenant's rights under this Section 9(a), Subtenant may, without obtaining Sublandlord's consent, bolt its racking system to the floor slab in warehouse space that is part of the Subleased Premises; provided, Subtenant shall not materially damage the floor slab, Subtenant shall comply with the Master Lease and obtain any approvals from Landlord required thereunder, and Subtenant shall properly patch and restore the slab at the time any such racking is removed (and in all cases prior to the expiration or termination of this Lease). Prior to installing any equipment other than customary office equipment and warehouse racking, Subtenant shall notify Sublandlord, in writing. If Sublandlord reasonably determines that Master Landlord's consent is required for the installation of any equipment or related Alterations, Sublandlord may require that Subtenant obtain Landlord's written consent before installing such equipment or making such Alterations.

(b) Subtenant Alterations. Additionally, without obtaining Sublandlord's approval, Subtenant may make (i) changes to floor coverings, wall coverings and paint of the interior of the Subleased Premises, and (ii) interior, non-structural Alterations to the Subleased Premises so long as such interior, non-structural Alterations do not require the Master Landlord's consent under the Master Lease and the cost of any such Alterations on a per items basis or any group of related Alterations does not exceed the Alterations Threshold (as defined below) and the same do not affect any Mechanical Systems serving other portions of the Project; provided, such Alterations shall not exceed the load bearing capacity or otherwise materially and adversely damage the structure of the Building, Subtenant shall comply with all Applicable Laws, the Master Lease and the other terms of this Lease, Subtenant shall not overload any utility or other

system, Subtenant shall cause power and other utilities connected to such Alterations to be separately metered or sub-metered, and such Alterations shall not have a material adverse effect on Sublandlord's use of Sublandlord's Retained Space or the Common Areas. The "Alterations Threshold" shall initially be One Hundred Thousand and No/100 Dollars ($100,000.00) and shall increase as and when the Alterations Threshold shall increase under the Master Lease. Except as otherwise expressly provided above, Subtenant shall not make any Alterations to the Subleased Premises, unless Sublandlord has approved such Alterations, in writing, which approval will not be unreasonably withheld, conditioned or delayed, except Sublandlord may withhold approval of any Alterations that affect the foundation, structural elements or exterior of the Building or any Mechanical Systems serving areas outside the Subleased Premises. Prior to commencing any Alterations other than changes to floor coverings, wall coverings and paint of the interior of the Subleased Premises, Subtenant shall notify Sublandlord, in writing. If Sublandlord reasonably determines that Master Landlord's consent is required for any Alterations, Sublandlord may require that Subtenant obtain Landlord's written consent before it commences such Alterations and Sublandlord may condition its approval of any proposed Alterations on Subtenant obtaining Landlord's written approval thereof. In no event shall Subtenant have the right to make any Alterations to or that affect the Common Areas or the foundation and structural elements of the Project. All Alterations undertaken by Subtenant: (i) must be completed by Subtenant in a good and workmanlike manner and in compliance with Applicable Laws, the Permitted Exceptions, the Incentive Agreements and the other terms of this Sublease; (ii) must be completed using new materials of good quality; (iii) must not exceed the load bearing capacity of the Building or otherwise have a material adverse effect on the structural integrity of the Building; and (iv) must not increase the load on any of the Mechanical Systems beyond their published load limits or otherwise have a material adverse effect on the Mechanical Systems. Subtenant shall, at its expense, obtain all governmental permits and approvals required in connection with its Alterations or equipment installation. Subtenant shall complete all Alterations and equipment installations in a manner that does not interfere with Sublandlord's operations at or use of the Project. If Sublandlord's consent is required for any proposed Alterations under the other provisions of this section, Subtenant shall submit the construction plans and specifications for such Alterations to Sublandlord at the time Subtenant requests Sublandlord's approval thereof and Subtenant shall complete such Alterations in accordance with the plans and specifications approved by Sublandlord. Subtenant shall pay the cost of its Alterations, when due.

(c) Roof Requirements. Subtenant shall not have the right to install any facilities on or make any Alterations to the roof of the Building, unless Subtenant obtains Sublandlord's prior written consent, which consent shall not to be unreasonably withheld, conditioned or delayed. Without limiting the generality of the foregoing, it shall be reasonable for Sublandlord to withhold such consent if Sublandlord reasonably determines that the installation or Alterations requested would not comply with all Applicable Laws, void, violate or limit any roof warranty, not comply with the roof manufacturer's recommendations and requirements, damage or exceed the load bearing capacity of the roof, or modify or adversely affect the structure of the roof. In the event that Sublandlord consents, in writing, to Subtenant installing any facilities on or making any Alterations to the roof of the Building, Subtenant shall: (i) cause the installation or Alteration to be completed in a good and workmanlike manner; (ii) comply with all Applicable Laws; (iii) not void, violate or limit any roof warranty; (iv) follow the roof manufacturer's recommendations and requirements; (v) ensure the installation or Alteration does not damage or exceed the load bearing capacity of the roof; and (vi) obtain Sublandlord's written approval of the contractor(s) who will perform the installation or Alteration, provided Sublandlord shall have the right to designate the contractor(s) that Subtenant must use to perform the installation or Alteration or Sublandlord may require that Subtenant obtain the roof manufacturer's and Landlord's approval of such contractor(s). Sublandlord may condition its approval of any such proposed installations or Alterations affecting the roof of the Building on Subtenant obtaining Landlord's written approval thereof. If any warranty covering the roof is voided, violate or limited as a result of Subtenant's acts, installations or Alterations, Subtenant shall reimburse Sublandlord and Landlord for the cost of all repairs and damages that it incurs which would have been covered by such warranty had the same not been so voided, violated or limited.

(d) No Liens. Notice is hereby given that Sublandlord and Landlord will not be liable for any work, services, materials or labor furnished to Subtenant, and no mechanic's, materialmen's or other lien arising or resulting from Subtenant's acts or omissions (collectively, "Subtenant Liens") shall attach to or affect Sublandlord's or Landlord's interest or estate in the Project. Subtenant shall keep the Project and its interest under this Sublease free and clear of all Subtenant Liens, including, but not limited to, liens for work, services, materials or labor furnished to Subtenant or alleged to have been so furnished. In the event Subtenant fails to discharge any Subtenant Lien encumbering the Project or Subtenant's interest in this Sublease (by bonding, payment or other method) within twenty (20) days after the filing thereof, Sublandlord may (but shall not be obligated to) cause such lien to be released and discharged, in which event Subtenant shall reimburse Sublandlord for all costs it incurs in connection therewith, including, but not limited to, reasonable attorneys' fees.

10. Insurance.

(a) Subtenant's Insurance. Subject to the other terms hereof, throughout the Term, Subtenant shall maintain, at its sole cost and expense: (i) commercial liability insurance covering Subtenant's activities and operations at the Project, with a combined single limit for bodily or personal injury, including (without limitation) death, of not less than Three Million and No/100 Dollars ($3,000,000.00) per occurrence and an aggregate limit for such insurance of not less than Five Million and No/100 Dollars ($5,000,000.00); (ii) property insurance covering Subtenant's furnishing, trade fixtures, equipment and other personal property at the Project, in an amount equal to at least one hundred percent (100%) of the replacement cost thereof, written on a "Causes of Loss, Special Form" basis or its equivalent (the "Subtenant Property Insurance"); (iii) business interruption insurance covering Subtenant's business for at least twelve (12) months of operations; (iv) builder's risk insurance in form and content satisfactory to Sublandlord during periods when any Alterations are being undertaken by or on behalf of Subtenant at the Project; (v) Workers Compensation insurance in compliance with Applicable Laws and with liability limits that satisfy all statutory requirements; and (vi) Employer's Liability insurance with coverage of at least $1,000,000 per accident, $1,000,000 per person for disease and $2,000,000 policy limit for disease. Subtenant may satisfy the liability insurance requirements under this section, at Subtenant's option, with the combination of a base liability insurance policy and an umbrella liability insurance policy. The insurance policies that Subtenant is required to obtain under this Sublease shall be issued by a reputable insurance company licensed to do business in the State of Missouri that have an A.M. Best Insurance Reports rating of at least A- (or its equivalent). Subtenant's liability insurance shall name Sublandlord, Landlord, the County, and, upon Landlord's written request, any Fee Mortgagee and Landlord's property manager, if any, as additional insureds, and Subtenant's builder's risk insurance shall name Sublandlord as loss payee. All insurance required under this section shall be consistently maintained without gaps in coverage. If Subtenant fails to maintain any of the insurance required under this Sublease, then Sublandlord or Landlord may (but shall have no obligation to) purchase such insurance, on behalf of Subtenant, in which event Subtenant shall reimburse Sublandlord or Landlord, as applicable, for the reasonable cost of such insurance, upon demand. Within ten (10) days after Sublandlord or Landlord's written request, and in any event, before the expiration of the current policy, Subtenant shall provide Sublandlord and Landlord with certificates of insurance evidencing the insurance that Subtenant is required to maintain hereunder and appropriate renewals. No failure by Subtenant to maintain the insurance required hereunder shall relieve Subtenant of any liability hereunder. Subtenant shall cause the contractor or contractors performing any Alterations to obtain, and furnish Sublandlord with reliable evidence of, commercial general liability insurance coverage with liability limits for personal injury, death and property damage of not less than One Million and No/100 Dollars ($1,000,000.00) per occurrence and naming Sublandlord, Landlord, Landlord's lender, property manager, and the County as Additional Insureds. Subtenant's insurance shall provide primary coverage when any insurance policy issued to Sublandlord or Landlord provides duplicate or similar coverage. In no event shall the amount of Subtenant's insurance coverage limit the liability of the Subtenant. Unless Sublandlord agrees otherwise, in writing, the deductibles under Subtenant's insurance shall not exceed Fifty Thousand and No/100 Dollars ($50,000.00). Sublandlord shall have the right to require, from time to time, that Subtenant increase the amount of its insurance coverage and/or obtain additional insurance coverage so long as Sublandlord is acting in a commercially reasonable manner

(b) Sublandlord's Insurance. Throughout the Term, Sublandlord shall maintain all the insurance that is its responsibility under Master Lease, except Sublandlord may elect not to maintain any such insurance to the extent Subtenant maintains the same pursuant to Section 10(a).

(c) Subtenant's Waiver of Insured Claims/Waiver of Subrogation. Notwithstanding anything to the contrary contained herein, Subtenant hereby waives all claims that it may have against Sublandlord, Landlord and their respective Affiliates, owners, directors, officers, employees, agents, contractors and representatives for losses and damages that are actually covered by its insurance or that would have been covered had it maintained the insurance required under this Sublease. If possible on commercially reasonable terms, Subtenant shall cause the insurers issuing its insurance to waive all of their subrogation rights against Sublandlord, Landlord and their respective Affiliates, owners, directors, officers, employees, agents, contractors and representatives and shall supply Sublandlord and Landlord with appropriate evidence confirming that such waiver is in effect. For the purposes of this section, Subtenant shall be deemed to be insured against losses and damages that are within the deductible of any of its insurance policies. The provisions of this section shall apply to claims regardless of cause or origin, including, without limitation, claims arising due to negligence.

(d) Sublandlord's Waiver of Insured Claims/Waiver of Subrogation. Notwithstanding anything to the contrary contained herein, Sublandlord hereby waives all claims that it may have against Subtenant and its Affiliates, owners, directors, officers, employees, agents, contractors and representatives for losses and damages that are actually covered by Sublandlord's insurance or that would have been covered had it maintained the insurance required under this Sublease. If possible on commercially reasonable terms, Sublandlord shall cause the insurers issuing its insurance to waive all of their subrogation rights against Subtenant and shall supply Subtenant with appropriate evidence confirming that such waiver is in effect. For the purposes of this section, Sublandlord shall be deemed to be insured against losses and damages that are within the deductible of any of its insurance policies. The provisions of this section shall apply to claims regardless of cause or origin, including, without limitation, claims arising due to negligence.

11. Fire & Casualty.

(a) Restoration. If any portion of the Project is damaged by fire or other casualty and the Master Lease is not terminated by either Sublandlord or Landlord in accordance with the terms thereof, then Sublandlord shall diligently perform all repairs and replacements necessary to restore the Project to the condition existing immediately prior to such fire or casualty in accordance with the terms of the Master Lease, subject to delays caused by any Event of Force Majeure; provided, (i) Subtenant shall be solely responsible for restoring or replacing Subtenant's furnishing, trade fixtures, equipment and other personal property at the Project, (ii) Sublandlord shall have the right to make Alterations to the Project to the extent required to comply with Applicable Laws, and (iii) Sublandlord shall have the right to make Alterations to the Sublandlord's Retained Space permitted under the Master Lease or approved by Landlord.

(b) Termination. In the event the Master Lease is terminated due to any damage to the Project caused by fire, casualty, condemnation or other cause, this Sublease shall terminate. If this Sublease is terminated on account of any damage to the Project caused by fire or other casualty, Sublandlord shall be entitled to all insurance proceeds paid on account of such damage, except amount paid on account of loss or damage to Subtenant's furnishing, trade fixtures, equipment and other personal property at the Project.

(c) Abatement. The Rent shall not abate, in whole or in part, as a result of any damage to the Project caused by fire or other casualty.

12. Condemnation.

(a) Restoration. In the event this Sublease is not terminated after a Taking of any portion of the Project, Landlord is responsible for restoring the Project in accordance with the Master Lease, and Sublandlord shall take all reasonable action to enforce such obligation of Landlord with due diligence.

(b) Termination. In the event the Master Lease is terminated automatically or by Landlord or Sublandlord due to any Taking of the Project or portion thereof, this Sublease shall terminate. If a material portion of the Subleased Premises is permanently taken as a result of any Taking and the remainder of the Subleased Premises is not suitable from Subtenant's use thereof (based on the manner in which Subtenant was utilizing the Subleased Premises immediately prior to such Taking), then Subtenant shall have the right to terminate this Sublease by giving written notice to Sublandlord within thirty (30) days after Subtenant is notified of such Taking, in writing.

(c) Abatement. In the event the Master Lease is not terminated as a result of a Taking of any portion of the Project, there shall be no abatement of the Rent, except to the extent there is a reduction in the Monthly Rent payable under the Master Lease for any month due to the Taking of a portion of the Subleased Premises or due to the effect of any Condemnation Restoration Work on the Subleased Premises, then the monthly installment of Base Rent for such month shall be reduced by such amount. In no event shall there be a reduction in the Base Rent due to a Taking of any areas outside the Subleased Premises or any Condemnation Restoration Work related to such areas.

(d) Awards. All awards paid on account of any Taking of the Project shall be allocated between Landlord and Sublandlord in accordance with the terms of this Master Lease and Subtenant shall not be entitled to any portion thereof; provided, if any amounts are expressly awarded on account of Subtenant's moving expenses or Subtenant's Alterations to the Subleases Premises and Sublandlord receives such amounts under Master Lease, then Subtenant shall be entitled to such amounts.

13. Assignment and Subletting.

(a) Assignment and Subletting. Subtenant shall not assign this Sublease or sublet any portion of the Subleased Premises, unless Subtenant has obtained Sublandlord's prior written consent, which consent may be granted or withheld by Sublandlord in its sole and absolute discretion. Notwithstanding anything to the contrary contained herein, Sublandlord may condition its consent to any assignment of this Sublease by Subtenant or any subletting of the Subleased Premises (or portion thereof) on Subtenant obtaining Landlord's written approval thereof. Subtenant agrees to reimburse Sublandlord for all reasonable legal fees and other costs incurred by Sublandlord in connection with any permitted assignment of this Sublease or any permitted subletting of the Subleased Premises (or portion thereof) by Subtenant, upon written demand. Subtenant shall deliver to Sublandlord copies of all documents executed in connection with any permitted assignment of this Sublease or any permitted subletting of the Subleased Premises (or portion thereof) by Subtenant, which documents must be in form and substance reasonably satisfactory to Sublandlord and must require that the assignee assume performance of all terms of this Sublease to be performed by Subtenant in the case of an assignment or require that the subtenant comply with all the terms of this Sublease applicable to Subtenant in the case of a sublease. No acceptance by Sublandlord of any Rent or other sum from an assignee or subtenant shall be deemed a consent to Subtenant's assignment of this Sublease or subletting of the Subleased Premises (or a part thereof). Except to the extent expressly permitted hereunder, Subtenant shall not allow any other Person to occupy the Subleased Premises (or any portion thereof). Sublandlord's consent to an assignment or subletting shall not be deemed a consent to any subsequent assignment or subletting. Sublandlord shall have the right to collect the rent payable by any subtenant of Subtenant and apply the same to Subtenant's obligations under this Sublease, and no further instruments shall be required for Sublandlord to exercise such right; provided Subtenant agrees to execute any instruments reasonably requested by Sublandlord for the purposes of allowing it to collect such rents.

(b) Transfer of Ownership Interests. An assignment of this Sublease by Subtenant shall be deemed to have occurred if in a single transaction or in a series of transactions more than forty- nine percent (49%) of the ownership interests (whether stock, partnership interests, membership interests or other) in Subtenant are, directly or indirectly, sold, transferred, conveyed or assigned; provided, the provisions of this section shall not apply to Subtenant at any time when the stock of Subtenant or its parent company is publicly traded on a recognized national securities exchange so long as Subtenant is owned or controlled, directly or indirectly, by a Disqualified Person.

(c) No Disqualified Person. Notwithstanding anything to the contrary, in no event shall this Sublease by assigned to any Disqualified Person without the prior written approval of Sublandlord, which approval may be granted or withheld by Sublandlord in its sole and absolute discretion.

(d) No Release. Notwithstanding any assignment of this Sublease or subletting of the Subleased Premises, Subtenant shall remain primarily responsible for the satisfaction of its obligations and liabilities hereunder, and such responsibility shall not be limited, affected, diminished or discharged by any event whatsoever, including, but not limited to, the compromise or settlement (with or without release) of any other person or entity liable for the payment of Subtenant's liabilities and/or the performance of Subtenant's obligations under this Sublease, Sublandlord's failure to file suit against any assignee of Subtenant (regardless of whether such assignee is becoming insolvent, is believed to be about to leave the state or any other circumstance), Sublandlord's failure to give Subtenant notice of any default, the unenforceability of any provision of this Sublease against an assignee of Subtenant due to bankruptcy discharge or otherwise, Sublandlord's failure to insist upon the strict performance of the terms of this Sublease, the extension, modification or amendment of this Sublease, any subsequent assignment of this Sublease or subletting of the Subleased Premises (whether or not consented to by Sublandlord) or Sublandlord's failure to exercise diligence in collection. Any assignment of this Sublease or subletting of the Subleased Premises (or portion thereof) not approved by Sublandlord, in writing, shall, at Sublandlord's option, be void.

14. Master Lease. Except as expressly set forth below, this Sublease and all rights of Subtenant hereunder are subject and subordinate to the terms, conditions and provisions of the Master Lease. Subtenant shall not violate any of the terms of the Master Lease. Notwithstanding anything contained herein, Sublandlord and Subtenant hereby agree that Subtenant shall not have any right to any portion of the proceeds of any insurance proceeds or awards belonging to Landlord under the Master Lease on account of any loss or damage caused by fire, casualty or a Taking. Except for the payment of rent owed by Sublandlord under the Master Lease and other obligations that Sublandlord is expressly required to satisfy under this Sublease, Subtenant shall perform and be bound by all of Sublandlord's obligations under the Master Lease to the extent, but only to the extent, (i) such obligations first arise during the Term and (ii) (A) relate to the Subleased Premises or (B) the use of the Subleased Premises or the Project by Subtenant or any of its employees, agents, subtenants, contractors, representatives, guests or invitees. If Subtenant notifies Sublandlord of any default under the Master Lease by Landlord or any unsatisfied obligation that Landlord's responsibility under the Master Lease, Sublandlord shall endeavor, in good faith and due diligence, to enforce the terms of the Master Lease; provided, nothing herein shall obligate Sublandlord to commence any litigation before Sublandlord deems it advisable in its reasonable discretion.

15. Subtenant Default.

(a) Events of Subtenant Default. Subtenant shall be deemed in default under this Sublease upon the occurrence of one (1) or more of the following events (a "Subtenant Default"):

(i) Subtenant's failure to pay any Rent when due, unless such failure is cured by Subtenant within seven (7) days after it receives written notice from Sublandlord; or

(ii) Subtenant's failure to comply with any of the terms of this Sublease other than those related to the payment of Rent, unless such failure is cured by Subtenant within twenty (20) days after Sublandlord gives written notice of such failure to Subtenant, provided if such failure cannot reasonably be cured within the aforementioned twenty (20) day period, then no Subtenant Default shall be deemed to have occurred so long as Subtenant commences to cure such failure within twenty (20) days after receiving written notice from Sublandlord and completes such cure within a reasonable time thereafter; or

(iii) the filing by or against Subtenant of a petition (voluntary or involuntary) (A) seeking to have Subtenant declared bankrupt or insolvent or seeking to reorganize Subtenant, or (B) seeking the appointment of a receiver or trustee for all or a substantial portion of Subtenant's assets, unless the petition is dismissed within ninety (90) days after its filing; or

(iv) any assignment of all or substantially all of Subtenant's assets for the

benefit of its creditors.

(b) Remedies. Upon the occurrence of any Subtenant Default, Sublandlord may, in addition to any other remedies available hereunder, at law or in equity:

(i) Without terminating this Sublease, enter upon and take possession of the Subleased Premises, expel or remove Subtenant, relet the Subleased Premises on such terms and conditions as Sublandlord deems advisable, and receive the rent therefor, with or without due process and Subtenant hereby expressly waives any and all claims for damages resulting therefrom. In the event Sublandlord elects to exercise the remedy provided under this subsection, Subtenant agrees to reimburse Sublandlord for (A) any third-party actual, verifiable and reasonable costs and expenses that Sublandlord incurs to effect compliance with Subtenant's obligations under this Sublease through the date the Subleased Premises are relet, plus Subtenant shall pay Sublandlord an administrative fee equal to five percent (5%) of such costs and expenses, (B) the costs Sublandlord incurs to recover possession of the Subleased Premises from Subtenant, including, but not limited to, reasonable attorneys' fees, (C) the market brokerage commissions, advertising costs and other similar expenses Sublandlord incurs to relet the Subleased Premises, and (D) all damages that Sublandlord suffers as a result of such default or the termination of Subtenant's right to possession of the Subleased Premises, including, without limitation, the difference between the Rent that Subtenant is required to pay hereunder during the remainder of the Term and the rent received by Sublandlord on account of such reletting during the remainder of the Term, which amount shall be paid monthly, in arrears. In the event Sublandlord is successful in reletting the Subleased Premises at a rental in excess of that agreed to be paid by Subtenant pursuant to the terms of this Sublease, Sublandlord shall be entitled to retain such excess, provided any such excess that is allocable to periods falling within the Term shall be first applied to pay the costs Sublandlord incurs to relet the Subleased Premises (including, without limitation, costs and expenses that Sublandlord incurs to effect compliance with Subtenant's obligations under this Sublease, the costs Sublandlord incurs to recover possession of the Subleased Premises, the brokerage commissions, advertising costs and other similar expenses Sublandlord incurs to relet the Subleased Premises, and the cost of Alterations to the Subleased Premises paid for by Sublandlord) and then to reduce any other amounts Subtenant owes Sublandlord hereunder.

(ii) Terminate this Sublease, in which event Subtenant shall immediately surrender the Subleased Premises to Sublandlord, and if Subtenant fails to do so, Sublandlord may enter upon and take possession of the Subleased Premises and expel or remove Subtenant. In the event this Sublease is terminated pursuant to this subsection, Subtenant agrees to reimburse Sublandlord for: (A) any unpaid Rent that was due and owing prior to such termination, (B) any third-party actual, verifiable and reasonable costs and expenses that Sublandlord incurs to effect compliance with Subtenant's obligations under this Sublease through the date of such termination, (C) the third-party actual, verifiable and reasonable costs Sublandlord incurs to recover possession of the Subleased Premises from Subtenant, including, but not limited to, reasonable attorneys' fees, and (D) any other damages that Sublandlord reasonably incurs as a result of the termination of this Sublease or Subtenant's default hereunder.

(iii) Without terminating this Sublease, enter upon the Subleased Premises, by force if necessary, without being liable for prosecution or any claim for damages thereof, and do whatever Subtenant is obligated to do under the terms of this Sublease, and Subtenant agrees to reimburse Sublandlord, on demand, for any third-party actual, verifiable and reasonable costs and expenses which Sublandlord may incur in effecting compliance with Subtenant's obligations under this Sublease, plus Subtenant shall pay Sublandlord an administrative fee equal to five percent (5%) of such costs and expenses.

(iv) Pursue any other remedy available at law or in equity, subject to the limitations set forth in the other provisions of this Sublease.

The foregoing remedies are cumulative and non-exclusive, and the exercise by Sublandlord of any of its remedies under this Sublease shall not prevent the subsequent exercise by Sublandlord of any other remedies provided herein. All remedies provided for in this Sublease may, at the election of Sublandlord, be exercised alternatively, successively, or in any other manner. Sublandlord shall use reasonable efforts to mitigate the damages it suffers that arise out of or result from a Subtenant Default. In no event shall Subtenant be liable to Sublandlord for any punitive or exemplary damages as a result of its default under this Sublease. No provision of this Sublease shall be deemed to have been waived by Sublandlord, unless such waiver is in writing and signed by Sublandlord. No custom or practice between the parties in connection with the terms of this Sublease shall be construed to waive or lessen Sublandlord's right to insist upon strict performance of the terms hereof. No act by Sublandlord with respect to the Subleased Premises shall be deemed to terminate this Sublease, including, but not limited to, the acceptance of keys or the institution of dispossessory proceedings; it being understood that this Sublease may only be terminated by express written notice from Sublandlord to Subtenant, and any reletting of the Subleased Premises shall be presumed to be for and on behalf of Subtenant, unless Sublandlord expressly provides otherwise in writing to Subtenant.

16. Sublandlord Default.

(a) Events of Sublandlord Default. Sublandlord shall be deemed in default under this Sublease (a "Sublandlord Default") if, but only if: (i) Sublandlord fails to comply with any of the terms of this Sublease and such failure is not cured by Sublandlord within thirty (30) days after Subtenant gives written notice of such failure to Sublandlord, provided if such failure cannot reasonably be cured within the aforementioned thirty (30) day period, then no Sublandlord Default shall be deemed to have occurred so long as Sublandlord commences to cure such failure within thirty (30) days after receiving written notice from Subtenant and completes such cure within a reasonable time thereafter; or (ii) the Master Lease is terminated due to any default thereunder by Sublandlord not caused by or resulting from Subtenant's default under this Sublease or any acts or omissions of Subtenant or any of its Affiliates, employees, agents, subtenants, contractors, representatives, guests or invitees.

(b) Remedies. Upon the occurrence of any Sublandlord Default, Subtenant may terminate this Sublease. The rights and remedies granted to Subtenant under this section shall be in addition to, and not in lieu of, the rights and remedies available to Subtenant at law or in equity on account of any Sublandlord Default; provided, notwithstanding anything to the contrary, in no event shall Sublandlord be liable for consequential, exemplary or punitive damages or lost profits as a result of its default under this Sublease. Subtenant shall use reasonable efforts to mitigate the damages it suffers that arise out of or result from a Sublandlord Default.

(c) Self-Help. If Sublandlord fails to make any repairs, maintenance or replacements to the Subleased Premises or the Common Area that are Sublandlord's express responsibility under this Sublease and such failure has a material adverse effect on Subtenant's operations in the Subleased Premises, then Subtenant may perform such repairs, maintenance and replacements unless Sublandlord commences the same within two (2) Business Days after receiving written notice from Subtenant; provided, if the conditions giving rise to the need for such repairs or replacements create an imminent and material risk of

personal injury or property damage at the Subleased Premises, then Subtenant may undertake such repairs, maintenance or replacements after endeavoring, in good faith, to contact Sublandlord regarding the need for the same, unless Sublandlord agrees to immediately begin diligent efforts to complete such repairs, maintenance or replacements. If Subtenant undertakes any repairs, maintenance or replacements pursuant to this Section 16(c) that are Landlord's responsibility under this Sublease, then Sublandlord shall reimburse Subtenant for the reasonable costs that Subtenant incurs in connection therewith. If Sublandlord fails to pay any amounts that it owes Subtenant under this Section 16(c) within thirty (30) days after Sublandlord's receipt of a written invoice for such amount from Subtenant, then Subtenant shall have the right to deduct such amounts from the Base Rent until it is fully reimbursed for such amount; provided, (i) in no event shall such deductions exceed fifty percent (50%) of any installment of Base Rent due hereunder, and (ii) Subtenant shall not have the right to deduct any such amount to the extent Sublandlord notifies Subtenant, in writing, that Sublandlord disputes the same until such dispute is resolved by written agreement signed by Sublandlord and Subtenant or a final and unappealable court order.

17. Indemnity.

(a) Except to the extent caused by Sublandlord, Landlord or any of their respective agents, employees, contractors or representatives, Subtenant shall indemnify, defend and hold harmless Sublandlord and Landlord from and against all claims, demands, lawsuits, liabilities, losses, damages, fines, penalties, costs and expenses (including, without limitation, reasonable attorneys' fees and litigation expenses) arising or resulting from: (i) Subtenant's use of the Subleased Premises; or (ii) any act, negligence or willful misconduct of Subtenant or any of its Affiliates, employees, agents, subtenants, contractors, representatives, guests or invitees in or about the Project. Subtenant shall not have the right to make any admission or statement on behalf of any party that it is required to indemnify under this section or to bind any such indemnified party without its prior written approval, which approval may be withheld in the indemnified party's sole and absolute discretion.

(b) Except to the extent caused by Subtenant, Landlord or any of their respective agents, employees, contractors or representatives, Sublandlord shall indemnify, defend and hold harmless Subtenant from and against all third-party claims and resulting demands, lawsuits, liabilities, and losses arising or resulting from the use of the Common Areas by Sublandlord or any of its Affiliates, employees, agents, subtenants, contractors, representatives, guests or invitees. Sublandlord shall not have the right to make any admission or statement on behalf of any party that it is required to indemnify under this section or to bind any such indemnified party without its prior written approval, which approval may be withheld in the indemnified party's sole and absolute discretion.

(c) The provisions of this section shall survive the expiration or termination of this

Sublease.

18. Waiver. Except to the extent caused by the affirmative negligent act or willful misconduct of Sublandlord or Sublandlord Default, Subtenant hereby expressly waives and releases all claims it may, now or hereafter, have against Sublandlord and any of its owners, directors, officers, employees, agents, contractors and representatives as a result of any injury, damage to property, or interruption of Subtenant's use of the Subleased Premises or Common Area caused by (i) wind, water, flooding, snow, ice, act of God or act of nature, (ii) any interruption of utility service, (iii) any defect in the Subleased Premises or Project (latent or otherwise), (iv) any failure of a mechanical system, electrical system, plumbing system or heating and air conditioning system, (v) the backing up of any sewer pipe or downspout, or (vi) the bursting, breaking, leaking or running of any tank, tub, washstand, water closet, drain or pipe. Nothing herein shall be deemed to limit the provisions of Section 10(c).

19. Bankruptcy. In the event the Master Lease is rejected in a proceeding under the United States Bankruptcy Code or similar statutes relating to insolvency, possession of the Subleased Premises by Subtenant shall be deemed to be possession of the Subleased Premises by Sublandlord.

20. Subtenant's Quiet Enjoyment. Subject to the other terms of this Sublease, Sublandlord covenants that Subtenant's possession of the Subleased Premises shall not be dispossessed by Sublandlord or any party claiming by, through or under Sublandlord so long as there is no uncured Subtenant Default.

21. Retained Rights**.** Sublandlord shall have the right to install pipes, conduits, lines, wires, vents, ducts and other incidental facilities in the Subleased Premises and Common Areas; provided (i) Sublandlord shall not materially interfere with Subtenant's use of the Subleased Premises, (ii) Sublandlord shall promptly repair any damage to the Subleased Premises or Common Areas resulting therefrom, and (iii) Sublandlord shall pay the cost of installing any such items to the extent the same exclusively serve Sublandlord's Retained Space.

22. Notices. All notices, consents, approvals and other communications (collectively, "Notices") that may be or are required to be given by either Sublandlord or Subtenant under this Sublease shall be properly made only if in writing and sent to the address of Sublandlord or Subtenant, as applicable, set forth below, as the same is modified in accordance herewith, by hand delivery, U.S. Certified Mail (Return Receipt Requested) or nationally recognized overnight delivery service.

If to Sublandlord: Smith & Wesson Sales Company
2100 Roosevelt Avenue
Springfield, MA 01104
Attn: President

with a copy to: Smith & Wesson Brands, Inc.
2100 Roosevelt Avenue
Springfield, MA 01104
Attn: General Counsel

If to Subtenant: American Outdoor Brands, Inc.
1800 N. Route Z
Columbia, MO 65202
Attn: President

with a copy to: American Outdoor Brands, Inc.
1800 N. Route Z
Columbia, MO 65202
Attn: Chief Legal Officer

TD Bank, N.A.
2 West Main St., 2nd Floor
Waterbury, CT 06702
Attn: AOB Products Account Manager

Either party may change its address for Notices by giving written notice to the other party in accordance with this provision. Notices shall be deemed received on the date of actual delivery; provided if either Sublandlord or Subtenant refuses to accept the delivery of any Notice, such notice shall be deemed to have been actually delivered on the date of such refusal.

23. Right of Entry. Sublandlord and Landlord shall have the right to enter the Subleased Premises, the Subtenant Exclusive Areas and other portions of the Project to: (i) conduct inspections; (ii) perform maintenance, repairs and replacements that are its responsibility under this Sublease or the Master Lease; (iii) show the Subleased Premises and Project to purchasers, lenders, and prospective purchasers and

lenders; and (iv) show the Subleased Premises to prospective tenants during the last twelve (12) months of the Term; provided, Sublandlord shall use commercially reasonable efforts to avoid interference with the use and enjoyment of the Subleased Premises and Sublandlord shall give Subtenant at least twenty-four (24) hours advance notice (verbal or written) prior to entering the Subleased Premises pursuant to subparagraph (iii) or (iv) above. In the event emergency conditions exist which materially threaten the Subleased Premises and Subtenant is not diligently addressing the same, Sublandlord or Landlord may immediately enter the Subleased Premises to prevent or mitigate the emergency conditions or damage or injury to persons or property, and no such entry shall require prior notice to Subtenant or constitute an eviction hereunder; provided, Sublandlord shall use reasonable efforts not to interfere with Subtenant's operations or damage Subtenant's property.

24. Surrender. Upon the expiration or earlier termination of this Sublease, Subtenant shall (i) quit and surrender possession of the Subleased Premises to Sublandlord in broom clean condition and in the condition required by the Master Lease, (ii) remove all of Subtenant's furnishing, moveable trade fixtures, equipment and personal property from the Subleased Premises, and (iii) provide Sublandlord with the keys or combinations for all locks in the Subleased Premises. Subtenant shall promptly repair all damage to the Subleased Premises, the Building and the Project resulting from the removal of Subtenant's furnishings, trade fixtures, equipment and other personal property.

25. Miscellaneous.

(a) Construction. Unless the context indicates otherwise, (i) the terms "hereof", "hereunder," "herein" and similar expressions refer to this Sublease as a whole and not to any particular article, section or paragraph, (ii) the singular includes the plural and the masculine gender includes the feminine and neuter, and (iii) all references to articles, sections and subsections refer to the articles, sections and subsections of this Sublease. The titles of the articles, sections and subsections of this Sublease are for convenience only and shall not affect the meaning of any provision hereof. Sublandlord and Subtenant have agreed to the particular language of this Sublease, and any question regarding the meaning of this Sublease shall not be resolved by a rule providing for interpretation against the party who caused the uncertainty to exist or against the draftsman. FOR PURPOSES OF THIS LEASE, TIME SHALL BE CONSIDERED OF THE ESSENCE.

(b) Estoppel Certificates. Within ten (10) Business Days after its receipt of a written request from the other party, Sublandlord or Subtenant, as applicable, shall execute and deliver to the other party or its designee a written statement certifying to the extent true (i) that this Sublease is unmodified and in full force and effect (or if there have been modifications, that this Sublease as modified is in full force and effect and identifying the modifications), (ii) that, to its actual knowledge, without imputation, neither Sublandlord nor Subtenant is in default under this Sublease and no circumstance exists which with the giving of notice, the passage of time, or both, would constitute such a default (or, if either party is in default or a circumstance exists which with the giving notice, the passage of time, or both, would constitute such a default, then the nature of such default or circumstance shall be set forth in detail), (iii) that there are no actions, whether voluntary or otherwise, pending against it under the bankruptcy laws of the United States or any state thereof, and (iv) any other facts related to the status of this Sublease or the condition of the Subleased Premises or the Project, but only to the extent of the certifying party's actual knowledge thereof.

(c) Force Majeure. Subject to the other terms of this section, the period of time that Sublandlord or Subtenant has to perform any of its obligations under this Sublease shall be extended by the amount of time that performance of such obligation is prevented by an Event of Force Majeure. Notwithstanding anything to the contrary, neither the provisions of this section nor the occurrence of any Event of Force Majeure shall (i) extend the Commencement Date, (ii) excuse, extend or abate Subtenant's obligation to pay Rent and other sums that it owes hereunder, (iii) excuse Subtenant's inability to perform its obligations hereunder because of inadequate finance, or (iv) excuse Subtenant's failure to surrender the Subleased Premises to Sublandlord, in accordance with the requirements of this Sublease, upon the expiration or termination of this Sublease or Subtenant's right to possession of the Subleased Premises.

(d) Holdover. Unless Sublandlord expressly agrees otherwise, in writing, if Subtenant remains in possession of the Subleased Premises after the expiration or earlier termination of this Sublease, then Subtenant shall be deemed a tenant at sufferance on all of the terms of this Sublease, except the Monthly Rent shall equal one hundred fifty percent (150%) of the Monthly Rent due during the month immediately preceding the expiration or termination hereof. The foregoing sentence shall in no event be construed to permit Subtenant to remain in possession of the Subleased Premises after the expiration or termination of this Sublease. Subtenant shall be liable to Landlord and Sublandlord for all losses, costs, damages and expenses (including, without limitation, consequential damages, reasonable attorney's fees, court costs and litigation expenses) that either of them suffers or incurs because of any holding over by Subtenant. Subtenant shall indemnify, defend and hold harmless Sublandlord from and against all claims, lawsuits, liabilities, damages, costs and expenses (including, without limitation, reasonable attorneys' fees, court costs and litigation expenses) that either of them suffers or incurs as a result of Subtenant's failure to immediately surrender possession of the Subleased Premises upon the expiration or termination of this Sublease, in accordance with the terms hereof.

(e) Financial Certificates. If the stock of Subtenant is not traded on a national United States stock exchange, then Subtenant shall, upon written request from Sublandlord (but not more frequently than once during any calendar year) submit to Sublandlord either a certified copy of Subtenant's most recently prepared financial statements, prepared in accordance with U.S. generally accepted accounting principles, or a certified statement setting forth Subtenant's Net Worth signed by an officer of Subtenant. Sublandlord shall keep confidential all financial statements, certificates and information that Subtenant furnished to Sublandlord pursuant to this section, except to the extent (i) such financial statements, certificates and information is available to the general public, (ii) Subtenant is required to disclose such financial statements, certificates and information in order to comply with Applicable Laws, and (iii) Sublandlord discloses the same to its lender and prospective lenders, to prospective purchasers of Sublandlord's interest in the Project, and to Landlord and its lenders, prospective lenders and prospective purchasers.

(f) Brokers. Subtenant and Sublandlord each (i) represents and warrants to the other that it has not dealt with any real estate broker, finder or listing agent in connection with this Sublease, and (ii) agrees to indemnify, defend and hold harmless the other from and against any claim for a commission, fee or other compensation made by a broker, finder or listing agent with whom it has dealt (or allegedly dealt). The provisions of this section shall survive the expiration or termination of this Sublease.

(g) Successors and Assigns. This Sublease shall be binding on the Sublandlord, Subtenant and their respective successors and assigns.

(h) Relationship. Nothing contained in this Sublease shall be deemed or construed as creating a partnership, joint venture, agency or other similar relationship between Sublandlord and Subtenant.

(i) Severability. If any provision of this Sublease is found by a court of competent jurisdiction to be illegal, invalid or unenforceable, the remainder of this Sublease will not be affected, and in lieu of each provision that is found to be illegal, invalid or unenforceable, a provision will be added as a part of this Sublease that is as similar to the illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

(j) Entire Agreement and Modification. This Sublease constitutes the entire agreement between the parties with respect to the Subleased Premises, and all prior negotiations and understandings shall be deemed incorporated herein. This Sublease may only be amended or modified by a written instrument signed by both Sublandlord and Subtenant.

(k) No Waiver. No waiver by Sublandlord or Subtenant of any provision or breach of this Sublease shall be deemed to have been made unless the same is in writing, and no waiver of any provision or breach of this Sublease shall be deemed a waiver of any other provision or breach. Sublandlord's or Subtenant's consent to or approval of any act shall not be deemed to render unnecessary the obtaining of Sublandlord's or Subtenant's consent to or approval of any subsequent act.

(l) Submission. The submission of this Sublease does not constitute an offer, and this document shall become effective and binding only upon the execution and delivery hereof by both Sublandlord and Subtenant. Furthermore, copies of this Sublease that have not been executed and delivered by both Sublandlord and Subtenant shall not serve as a memorandum or other writing evidencing an agreement between the parties.

(m) Memorandum of Sublease. Upon either party's written request, Sublandlord and Subtenant shall promptly execute and record a memorandum of this Sublease in substantially the form attached as **Exhibit G**; provided the cost of recording such memorandum shall be borne by the requesting party. This Sublease shall not be recorded in its entirety unless Sublandlord and Subtenant agree otherwise, in writing.

(n) Attorney Fees. In the event of any lawsuit between the parties arising from or relating to this Sublease, the prevailing party in such lawsuit shall be entitled to recover its reasonable costs, expenses and attorneys' fees from the non-prevailing party therein, including, but not limited to, court costs, professional fees and other litigation expenses through all appellate levels and in bankruptcy court. This section shall survive the expiration or termination of this Sublease.

(o) Exhibits. Sublandlord and Subtenant acknowledge and agree that all exhibits and addenda referenced in this Sublease are attached hereto and incorporated herein by reference.

(p) Governing Law. This Sublease shall be governed by the laws of the State of Missouri.

(q) WAIVER OF TRIAL BY JURY. EACH OF SUBLANDLORD AND SUBTENANT HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (i) ARISING UNDER THIS SUBLEASE (OR ANY AGREEMENT FORMED PURSUANT TO THE TERMS HEREOF) OR (ii) IN ANY MANNER CONNECTED WITH OR RELATED OR INCIDENTAL TO THE SUBLEASED PREMISES, THE PROJECT, THE DEALINGS OF SUBLANDLORD AND SUBTENANT WITH RESPECT TO THIS SUBLEASE (OR ANY AGREEMENT ENTERED INTO PURSUANT TO THE TERMS HEREOF) OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION WITH THIS SUBLEASE OR THE TRANSACTIONS CONTEMPLATED HEREIN, WHETHER NOW EXISTING OR HEREINAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE. EITHER PARTY MAY FILE A COPY OF THIS SECTION WITH ANY COURT AS CONCLUSIVE EVIDENCE OF THE CONSENT OF EACH SUCH PARTY TO THE WAIVER OF ITS RIGHT TO TRIAL BY JURY.

(r) Sublandlord's Liability. Notwithstanding anything to the contrary contained in this Sublease, the liability of Sublandlord to Subtenant for the default by Sublandlord under the terms of this Sublease shall be limited to Subtenant's actual, but not consequential, damages and shall be recoverable only from Sublandlord. Sublandlord's shareholders, partners, members, officers and directors shall have no personal liability whatsoever under this Sublease. Sublandlord shall have the right to assign all its rights and obligations under this Sublease in connection with an assignment of Sublandlord's interest in the Master Lease, and in such event and upon such assignment, Sublandlord shall be released from any further obligations and liabilities under the Sublease, except for obligations and liabilities arising as a result of any matters occurring prior to such assignment of Sublandlord interest in the Master Lease. If Sublandlord assigns its interest in the Master Lease to any Person, such Person must assume, in writing and for the benefit of Subtenant, all of Sublandlord's obligations and liabilities under this Sublease first arising from and after the date of such assignment.

(s) Consents. Unless otherwise expressly stated herein, whenever Sublandlord's or Subtenant's consent is required under this Sublease, such consent shall not be unreasonably withheld, qualified or delayed.

(t) Cooperation. Upon either party's request (the "Requesting Party"), the other party agrees to cooperate with, assist and join in the Requesting Party's efforts to obtain any governmental permits, licenses and approvals that the Requesting Party deems necessary or desirable for its use of the Project or any Alterations; provided, (i) the Requesting Party's actions do not and will not result in a violation of this Sublease or the Master Lease, and (ii) the other party shall not be required to incur any costs, liabilities or obligations in connection therewith.

(u) Counterparts and Signatures. This Sublease may be executed in separate counterparts and it shall be fully executed when each party whose signature is required has signed at least one (1) counterpart even though no one (1) counterpart contains the signatures of all of the parties to this Amendment. Electronic signatures shall be valid and sufficient to bind any party to this Sublease. Signatures to this Sublease transmitted by facsimile, email or other electronic transmission (for example, through the use of a Portable Document Format or "PDF file) shall be valid and effective to bind the party so signing. The exchange of copies of this Sublease and of signature pages by electronic mail or other means of electronic transmission (including, without limitation, pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) will constitute effective execution, delivery and performance of this Sublease as to the parties. Signatures of the parties transmitted by electronic mail or other means of electronic transmission (including, without limitation, pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) will be deemed to be their original signatures for all purposes.

IN WITNESS WHEREOF, the parties hereto have entered into this Sublease on the date first above written.

Sublandlord:

Smith & Wesson Sales Company

By: */s/ Mark P. Smith*
Name: Mark P. Smith
Title: President

Subtenant:

American Outdoor Brands, Inc.

By: */s/ Brian D. Murphy*
Name: Brian D. Murphy
Title: President and Chief Executive Officer

Exhibit 10.6

SUPPLY AGREEMENT

This Supply Agreement (the "Agreement") is dated as of August 24, 2020 (the "Effective Date") by and between **Smith & Wesson Inc.**, a Delaware corporation having its principal address at 2100 Roosevelt Avenue, Springfield, MA 01104 (hereinafter referred to as "S&W"), and **Crimson Trace Corporation**, a corporation organized under the laws of the State of Oregon having its principal address at 1800 North Route Z Columbia, MO 65202 (hereinafter referred to as "Supplier").

WITNESSETH:

WHEREAS, S&W wishes to purchase from Supplier and Supplier wishes to sell to S&W certain Products (as defined below) in accordance with the terms and conditions set forth in this Agreement.

NOW THEREFORE, in consideration of the premises, mutual promises, and the representations, warranties and covenants herein contained, the sufficiency of which is hereby mutually acknowledged, the parties agree as follows:

1. DEFINITION OF TERMS

As used in this Agreement, the following terms shall have the following meanings, respectively:

1.1. "Confidential Information" shall mean all drawings, designs, sketches, blueprints, technical specifications, engineering calculations, models, formulas, data, reports, interpretations, forecasts, and records of a party, and all other confidential information concerning such party's business, whether in written, oral, or any other form or medium, and whether or not labeled as confidential by such party, but excluding the same which (a) is or becomes generally available to and known by the public other than as a result of the other party's breach of Section 9.1, or (b) becomes available to the other party on a non-confidential basis from a third-party source, provided that such third party is not and was not prohibited from disclosing such Confidential Information.

1.2. "Delivery Date(s)" shall mean the date or dates requested for delivery of Products as set forth in any Order.

1.3. "Order" shall mean a written purchase order by S&W that may be transmitted electronically to Supplier or otherwise sent to Supplier in any manner mutually agreed to by the parties.

1.4. "Price" shall mean the prices for the Products set forth on Schedule B hereto.

1.5. "Product(s)" shall mean the laser sighting devices as more particularly described in Schedule A hereto and conforming to the specifications ("Specifications") set forth in Schedule A.

1.6. "Supplier MOQ" means a minimum purchase requirement imposed on Supplier when procuring any Product to complete any Order.

2. TERM

2.1. Term. This Agreement shall become effective as of the Effective Date and shall continue for a period of 24 months, unless earlier terminated in accordance with its terms (the "Term"). Not later than six (6) months prior to the expiration of this Agreement, the parties shall engage in good faith discussions regarding any renewal or extension of this Agreement. The "Term" of this Agreement shall include the Initial Term and any renewal or extension terms.

3. MANUFACTURE; SALE; LICENSE

3.1. Sale. Supplier agrees to sell and S&W agrees to purchase Products from Supplier in accordance with the terms and conditions set forth in this Agreement.

3.2. Orders. Unless otherwise agreed to by S&W in writing, no Products shall be supplied hereunder without the issuance by S&W to Supplier of an Order for such Products. Supplier's acceptance of an Order shall be confirmed upon the earlier of a written confirmation or delivery of the Products set forth in such Order. Except as set forth in this Agreement, Supplier may not reject an Order. In addition, except as set forth in this Agreement, Supplier may only cancel an Order already accepted if S&W is in breach of this Agreement. The terms and conditions of this Agreement shall be deemed incorporated into and made a part of each Order, and shall supersede and control over any inconsistent or contradictory provisions of any quote, acknowledgment of Order, invoice or any other document of Supplier or S&W (including any Order issued by S&W).

3.3. Forecasts. Upon execution of this Agreement, S&W shall provide to Supplier a forecast including a good faith estimate of S&W's requirements for Products (a "Forecast") for the 6-month period beginning on the Effective Date. No later than the sixty (60) days prior to the first day of each subsequent 6-month period during the Term, S&W shall deliver to Supplier a Forecast for the period beginning with the first day of such subsequent 6-month period. Forecast are for informational purposes only and do not create any binding obligations on behalf of either party; provided, however, that Supplier shall not be required to sell to S&W, and may in its sole discretion reject (without penalty or liability) any Order for, any quantity of Products that is not set forth in any Forecast for the period covered by such Forecast.

3.4. Minimum Orders; Exclusivity. In the event Supplier is subject to a Supplier MOQ when sourcing Product to complete any Order submitted by S&W hereunder and the quantity of Product originally set forth in the Order is less than the Supplier MOQ, the Parties agree to either reissue the Order to equal the Supplier MOQ, allow S&W to cancel its Order, or otherwise revise the Order to avoid the Supplier MOQ either by modifying the Product design or by changing to a different Product. During the Term of this Agreement, except as otherwise provided in this Agreement, S&W shall purchase Products exclusively from Supplier. During the Term, S&W will not, directly or indirectly, interfere with Supplier's relationships with its suppliers or except as otherwise provided in this Agreement, otherwise contract with any such suppliers for the purchase, manufacturing, or license of any Products. Except for laser Products, notwithstanding anything in this Agreement to the contrary, S&W may, enter into arrangements pursuant to which S&W may purchase nationally recognized third party branded products ("Co-Branded Products"), which may be the same as or similar to Products sold by Supplier, in order to integrate, or co-brand with S&W products, or otherwise promote S&W products in conjunction with the products of a third party. Notwithstanding anything in this Agreement to the contrary, S&W may manufacture, directly or through an Affiliate, or purchase from a third party, any "Promotional Products" (as herein defined). "Promotional Products" shall mean any products that will be used by S&W or any Affiliate for promotional purposes or giveaway purposes, and not directly tied to a revenue generating transaction. The exclusivity provisions of Section 3.4, Right of First Proposal provisions of Section 3.5 and any other restrictions in this Agreement shall not apply to Promotional Products.

3.5. Right of First Proposal. Supplier shall have, and S&W hereby grants to Supplier, a right of first proposal to supply (i) any aiming assistance devices to be used on S&W products and (ii) any products that are similar to the Products but are materially different in a manner that justifies a change in pricing as reasonably determined by the Parties (examples of such material differences are significant size differences, co-branding, material construction or quality differences; whereas non-material differences would be minor cosmetic changes such as colors, patterns, cosmetic finishing (and all of such products with non-material differences shall continue to be "Products" hereunder)) ((i) and (ii), collectively, "Proposed Products") to

S&W and its affiliates (the "Right of First Proposal"); provided, however, such Right of First Proposal shall not apply to any product that is being manufactured for S&W by a third party as of the Effective Date. S&W shall provide written notice specifically referencing this Section 3.5 to Supplier of any Proposed Products S&W proposes to purchase prior to purchasing, or entering into any contract to purchase, such Proposed Products. Supplier shall have thirty (30) days from the receipt of such notice to provide a pricing proposal (which shall include terms regarding delivery, lead times and product performance) to S&W to supply such Proposed Products to S&W under this Agreement. If S&W accepts such pricing proposal, such Proposed Products shall become "Products" hereunder, and S&W and Supplier shall update the Schedules to this Agreement to incorporate the information applicable to such Proposed Products.

3.6. Access to S&W's Facilities. If in providing Products or related services under this Agreement, Supplier shall require access to S&W's facilities: (i) any such access by Supplier and its personnel shall be subject to the U.S. International Traffic in Arms Regulations and S&W's security policies from time to time in effect, which limit those individuals who may access S&W's facilities; and (ii) Supplier shall satisfy any requirements of S&W to provide insurance, which may be in addition to the insurance otherwise required under this Agreement, on account of Supplier's activities on S&W's site.

3.7. Manufacturing Facility. In manufacturing any Products, Supplier shall maintain an organization and facilities, including, without limitation, suitable equipment and tools, in accordance with standards generally accepted in the industry, and employ adequately trained and competent personnel in all functions. Supplier will keep complete and accurate records in all material respects with respect to Products it manufactures pursuant to this Agreement. Supplier shall, upon S&W's request from time to time by providing at least 7 days prior notice, allow S&W or its representatives access to Supplier's facilities to inspect the manufacture and assembly of the Products during reasonable hours, and provide S&W with such records in the possession of Supplier, as S&W may reasonably request, relating to the manufacture of Products and the source of any raw materials and components used in the Products; provided, however, in no event shall such inspection interfere with the business of Supplier.

3.8. License to Products and Patents in Products. During the term of this Agreement, Supplier hereby grants S&W a royalty-free, nontransferable, nonsublicenseable, worldwide, non-exclusive license to offer to sell and sell firearms that incorporate the Products. The grant of such license shall be effective upon the signing of this Agreement.

3.9. License to Supplier Trade and Service Marks and Trade Dress. During the term of this Agreement, Supplier hereby grants S&W a royalty-free, nontransferable, nonsublicenseable, worldwide, non-exclusive license to use Supplier trademarks, service marks, and trade dress ("Supplier Marks") in connection with the Products. This license is subject to the following restrictions: S&W will use the Supplier Marks only in ways that reflect favorably on Supplier and its products, and shall not use the Supplier Marks in any way that is immoral, illegal, or scandalous or in any way that could impair the reputation of Supplier or the Supplier Marks, and S&W will not obscure, deface or remove the Supplier Marks on the Products. In any promotional or advertising material in any media, S&W will identify the Supplier Marks as belonging to Supplier, using words to the effect that "Crimson Trace trademarks are property of Crimson Trace Corporation, Portland, Oregon, and are used by permission."

4. ORDERING; DELIVERY

4.1. Deliveries. Unless otherwise specified in an Order (and agreed to by Supplier) or as set forth below, all deliveries shall be FOB Origin, Supplier's plant in Wilsonville, Oregon. Title to Products shall pass to S&W at such point and S&W shall assume all risk of loss of any Products after such point, including while any Products are in the possession, custody or control of a carrier. All deliveries from outside of the United States shall be FOB Destination. Title to such Products shall pass to S&W at such

destination point and S&W shall assume all risk of loss of any such Products after such destination point. Supplier shall (i) pack the Products in such a manner as to insure against damage from weather or transportation costs, and (ii) label such Products and provide instructions and other information, including, without limitation, Material Safety Data Sheets, as required by any applicable law or regulations or for proper use of the Products.

4.2. Shipping. For Products that shall have a delivery point of FOB Origin, S&W shall pay the costs of shipping such Products from such point to S&W in accordance with its Orders (but, for the avoidance of doubt, S&W shall pay for the cost of any insurance on such Products after transfer of risk of loss and title of such Products as set forth in Section 4.1). In preparing its shipment of Products, Supplier shall comply with S&W's shipping guidelines in effect as of the Effective Date. If, in order to comply with S&W's required Delivery Date, Supplier must ship by a more expensive way than specified in this Agreement or in an Order, any resulting increased transportation costs shall be paid for by Supplier unless the necessity for such rerouting or expedited handling has been caused by S&W.

4.3. Lead Times. Lead times for delivery of the Products are set forth in Schedule C to this Agreement (the "Lead Times"). Supplier shall deliver Products ordered by S&W by the applicable Delivery Date set forth in S&W's Order, so long as the Delivery Date is consistent with the Lead Times. If applicable Lead Times are not set forth in Schedule C, the Delivery Date shall be such date as reasonably agreed to by the parties.

4.4. Production Capacity. Supplier shall maintain sufficient production capacity as to be able to supply Products in accordance with any reasonable S&W forecasts and the Lead Times. Supplier shall notify S&W as soon as is reasonably possible of any inability by Supplier to produce and deliver Products in such quantities as are necessary to meet S&W's anticipated volume requirements.

4.5. Remedies for Late Delivery. Supplier shall use commercially reasonable efforts to deliver all Products on or before the Delivery Date as set forth in Section 4.3 above. If Supplier fails to deliver Products within 14 days of the Delivery Date and if such delay is not due to any action or inaction of S&W or otherwise excused in accordance with this Agreement, S&W shall receive a 10% discount on such Order or S&W may, at its sole discretion, cancel its Order for such Products by giving Supplier written notice of such cancelation prior to shipment of the Products for such Order and procure similar products from another source. Subject to S&W's rights under this Section 4.5, no delay in the shipment or delivery of any Products relieves S&W of its obligations under this Agreement, including accepting delivery of any remaining installment or other Orders of Products.

4.6. Changes. S&W may, at any time, make changes in quantities, packaging, time and place of delivery, and method of transportation. If any such changes cause an increase or decrease in the cost, or the time required for performance or delivery, an equitable adjustment shall be made, provided that Supplier notifies S&W, within seven days after S&W notifies Supplier of any such change, of any proposed increase in price or delay in delivery resulting from such change, and if the parties are then unable to agree on an adjustment, S&W may cancel all or any part of its Order subject to Section 4.7 below.

4.7. Cancellation. S&W may cancel all or any part of any unshipped portion of its Order without obligation hereunder except to make payment for the Products actually shipped prior to such cancellation and, with respect to any cancelled Non-Stock Items, to pay Supplier for direct costs incurred by Supplier in connection with such cancelled Non-Stock Products, including without limitation production and facility costs and Supplier's costs for cancelling any orders with its suppliers. In no event shall S&W be liable under this Section 4.7 with respect to a cancellation for more than the price of the applicable Products. Title to any unfinished work-in-process paid for by S&W shall vest in S&W. For purposes hereof, "Non-Stock Items" are Products manufactured exclusively for S&W (or its affiliates).

5. TERMS AND CONDITIONS OF PURCHASE

5.1. Prices. Prices for the Products shall be those prices set forth in Schedule B attached hereto. The Product prices include all charges for Supplier's boxing, packaging, packing, crating, storage and handling, to the F.O.B. point, freight costs to ship pursuant to the Order and duties (but excluding any insurance on the Products during shipment of the Products after transfer of risk and title as set forth in Section 4.1). In addition, Supplier shall be liable for any applicable sales, use or similar taxes, excises, and similar charges, which shall be separately invoiced to S&W. The pricing formulas set forth in Schedule B shall remain firm for the Term.

5.2. Payment. S&W shall pay the price of Products ordered by S&W after receipt by S&W of such Products and of an invoice from Supplier for such Products. Supplier's invoice shall specify the Order number, Order date, a general description of the Products supplied, the date of supply, and the sum due. Unless otherwise stated, S&W's payment shall be due 30 days after S&W's receipt of Supplier's invoice in accordance with this Agreement. S&W shall be entitled to any cash discount period available to Supplier's customers. Supplier shall be solely responsible for filing all appropriate tax forms and paying all applicable sales, use and similar taxes, duties, export preparation charges and export documentation charges resulting from the sale of the Products under this Agreement. Any payment by S&W under this Agreement shall not relieve Supplier from any obligations hereunder with respect to defective Products.

5.3. Late Payments. S&W shall pay interest on all late payments (whether during the Term or after the expiration or earlier termination of the Term), calculated daily and compounded monthly, at the lesser of 10% per year or the highest rate permissible under applicable law. S&W shall also reimburse Supplier for all costs incurred by Supplier in collecting any late payments, including reasonable attorneys' fees and court costs. In addition to all other remedies available under this Agreement or at law, if S&W fails to pay any amounts when due under this Agreement, other than amounts disputed by S&W in good faith, Supplier may (a) suspend the delivery of any Products, and (b) reject S&W's Orders or cancel accepted Orders.

5.4. Rejection. Payment for Products delivered hereunder shall not constitute S&W's acceptance thereof. S&W shall have the right within 14 days of receipt (the "Inspection Period") to inspect any Products and to reject the same to the extent (i) the amount of Product is more than the amount requested in the Order (but such rejection right shall only be with respect to the excess amount), (ii) the Product is materially damaged or (iii) for obvious and apparent deviations from the Specifications for such Product, which are obvious without opening the packaging for each Product ("Nonconforming Products"). S&W will be deemed to have accepted Products unless it provides Supplier with written notice of any Nonconforming Products within the Inspection Period, stating with specificity all defects and nonconformities, and furnishing such other written evidence or other documentation as may be reasonably required by Supplier. If S&W timely notifies Supplier of any Nonconforming Products and Supplier agrees that such Products are Nonconforming Products, Supplier shall either, at S&W's election: (a) replace such Nonconforming Products with conforming Products; or (b) refund to S&W such amount paid by S&W to Supplier for such Nonconforming Products returned by S&W to Supplier and cancel the Order for such returned Nonconforming Products. If S&W elects to replace Nonconforming Products, Supplier shall ship, at Supplier's expense and risk of loss, the replacement Products.

6. WARRANTY; SUPPORT

6.1. Supplier's Warranty. For a 12 month period from the expiration of the Inspection Period for such Products, Supplier warrants that the Products furnished under this Agreement shall (i) conform in every respect to any specifications provided by Supplier to S&W; (ii) be new and free from material defects in material or workmanship; (iii) be adequately contained, packaged, marked, and labeled; (iv) conform to

any and all applicable technical and safety provisions and comply in all respects with any and all applicable federal, state and local laws, regulations, directives and standards including, without limitation, those concerning safety, labor, health and the environment; and (v) be appropriate for the purpose for which the Product is intended to be used. Inspection, testing, acceptance or use of the Products shall not affect Supplier's obligation under this warranty, and such warranty shall survive inspection, testing, acceptance and use. The foregoing shall not limit, however, Supplier's standard warranty for a Product provided to the end-user (consumer purchaser) of such Product as set forth on the packaging of such Product ("End-User Warranty"), and S&W may sell the Products to end-users subject to Supplier's End-User Warranty.

6.2. Warranty Limitations. The warranty set forth in Section 6.1 does not apply to any Product that: (i) has been subjected to abuse, misuse, neglect, negligence, accident, improper testing, improper installation, improper storage, improper handling, abnormal physical stress, abnormal environmental conditions or use contrary to any instructions issued by Supplier; (ii) has been reconstructed, repaired or altered by persons other than Supplier or its authorized representatives; or (iii) has been used with any third-party products, hardware or product that has not been previously approved in writing by Supplier, provided that any Product may be used with any other product offered by S&W or any affiliate of S&W ("S&W Products") to the extent S&W provided prior written notice to Supplier that such Product would be used with such specific S&W Product. In addition, in no event shall Supplier be liable or responsible for any warranty provided to end-users of the Product greater than Supplier's End-User Warranty.

6.3. DISCLAIMER. EXCEPT FOR THE END-USER WARRANTY, EXCEPT TO THE EXTENT LIMITATIONS ON PRODUCT WARRANTIES TO CONSUMERS ARE NOT PERMITTED BY APPLICABLE LAW, AND EXCEPT FOR THE PRODUCT WARRANTY SET FORTH IN SECTION 6.1 AND THE OTHER EXPRESS REPRESENTATIONS AND WARRANTIES OF SUPPLIER SET FORTH IN THIS AGREEMENT, (A) NEITHER SUPPLIER NOR ANY PERSON ON SUPPLIER'S BEHALF HAS MADE OR MAKES ANY EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY WHATSOEVER, EITHER ORAL OR WRITTEN, INCLUDING ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR TITLE, WHETHER ARISING BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE OR OTHERWISE, ALL OF WHICH ARE EXPRESSLY DISCLAIMED, AND (B) S&W ACKNOWLEDGES THAT IT HAS NOT RELIED UPON ANY REPRESENTATION OR WARRANTY MADE BY SUPPLIER, OR ANY OTHER PERSON ON SUPPLIER'S BEHALF, EXCEPT AS SPECIFICALLY PROVIDED IN THIS AGREEMENT.

7. PRODUCT CAMPAIGNS; INDEMNIFICATION

7.1. Product Recalls. If any Products have been manufactured by or for Supplier in a manner that is inconsistent with Product Specifications or if any Products otherwise do not comply with Supplier's warranty, and S&W requests Supplier to recall such Products for safety reasons, then Supplier shall determine, under its recall standards, whether a recall of any Products should be made. If Supplier determines that for any reason a recall of such Products should be made, then Supplier shall recall such Products at its own expense. In such case, S&W shall take all reasonable actions requested by Supplier to assist in such a recall. S&W shall not modify or retrofit any Product as part of any recall or retrofit campaign by S&W without Supplier's prior written consent, which shall not be unreasonably withheld.

7.2. Indemnification Generally. Without limiting any other remedies available to the parties, each party shall indemnify, defend and hold the other party and its respective officers, directors, employees, agents, customers, subsidiaries, parents and affiliates (each a "Protected Party") harmless from and against any and all claims (including, without limitation, third party claims for personal injury or real or personal property damage), actions, suits, damages, losses, deficiencies, liabilities, obligations, commitments, costs or expenses of any kind or nature (including reasonable legal and other expenses) incurred by such Protected

Party (altogether "Losses") resulting from: (i) any breach of the representations, warranties, covenants, agreements and obligations of such party hereunder (including, with respect to Supplier, a breach of its End-User Warranty); or (ii) any negligent or willful acts or omissions of such party, its directors, officers, employees, agent, contractors, subsidiaries, parents, affiliates or those acting for any of them, except to the extent any damages or liabilities are directly caused by the willful misconduct of the Protected Party. Without limiting any other remedies available to the parties, Supplier shall indemnify, defend and hold S&W and its officers, directors, employees, agents, customers, subsidiaries, parents and affiliates (each a "S&W Protected Party") harmless from and against (iii) any and all Losses resulting from any failure of any Product to comply with applicable law, or (iv) S&W's direct costs under any Product recall under Section 7.1. This Section will survive the termination or expiration of this Agreement.

7.3. IP Indemnification. Supplier shall indemnify, defend and hold harmless S&W and its Protected Parties from and against all claims by a third party alleging that any of the Products infringe any Intellectual Property Right of a third party, except to the extent the same relates to or results from (i) use of S&W's trademarks, or (ii) Supplier's compliance with any Specifications or design supplied by S&W. If the Products, or any part of the Products, becomes, or in Supplier's reasonable opinion is likely to become, subject to a Third Party Claim that qualifies for intellectual property indemnification coverage under this Section 7.3, Supplier shall notify S&W in writing to cease using all or a part of the Products, in which case S&W shall immediately cease all such use of such Products and Supplier shall use its best efforts to provide Products or similar substitute Products that are non-infringing to S&W.

7.4. Defense of Third Party Indemnifiable Claims. If a Protected Party seeks indemnification or damages (the "Indemnified Party") under this Agreement from the other party (the "Indemnifying Party") for any claim asserted, against such Indemnified Party by a third party (a "Third Party Claim"), the Indemnified Party shall, promptly upon gaining knowledge of such Third Party Claim, deliver to the Indemnifying Party notice of such Third Party Claim with sufficient detail as to why the Indemnifying Party is responsible for such Third Party Claim; provided, that a failure by the Indemnified Party to give such notice in the manner required pursuant to this Section 7.4 shall not limit or otherwise affect the obligations of the Indemnifying Party under this Agreement, except to the extent that Indemnifying Party is actually prejudiced with respect to the rights available to the Indemnifying Party with respect to such Third Party Claim, and then only to the extent of any such actual prejudice. The Indemnifying Party shall have the right, at its sole option and expense, to appoint counsel of its choice, which must be reasonably satisfactory to the Indemnified Party, and to defend against, negotiate, settle or otherwise deal with such Third Party Claim in lieu of the Indemnified Party defending or settling such claim; provided, the Indemnifying Party shall not have the right to defend such Third Party Claim if such Third Party Claim seeks relief other than the payment of monetary damages.

7.5. Exclusion from Indemnification. Notwithstanding anything in this Agreement to the contrary, in no event shall Supplier be liable for, or be required to indemnify S&W or its Protected Parties for, Losses arising from (i) the use of the Products in any manner not otherwise authorized under this Agreement or that does not materially conform with any usage instructions provided by Supplier, (ii) S&W's marketing, advertising, promotion or sale of any product containing the Products, except to the extent such marketing or promotion is consistent with materials provided by Supplier; (iii) Supplier's compliance with any Specifications or design supplied by S&W; or (iii) any modifications or changes made to the Products by or on behalf of any person other than Supplier.

8. INSURANCE

8.1. Insurance. Supplier shall, at its expense, obtain and maintain in full force and effect insurance policies with minimum limits of coverage as follows:

(i) Commercial General Liability Insurance including Contractual Liability, Products and Completed Operations Liability, Broad Form Property Damage Liability including coverage for contractual liability. Limits of liability will not be less than $1,000,000 USD each occurrence and $2,000,000 USD aggregate. Commercial General Liability insurance will be written on an occurrence basis.

(ii) Excess (Umbrella) Liability underlying the insurances described in subsections (i) and (ii), in an amount of not less than $1,000,000 USD per occurrence. Excess (Umbrella) Insurance will be written on an occurrence basis.

8.2. Additional Insured. The Supplier will cause “Smith & Wesson Inc. “ to be named as an additional insured on the Commercial General Liability, and Excess (Umbrella) Liability policies. The Supplier will deliver annually a certificate of insurance evidencing the coverage’s required by this Agreement. The certificates of insurance will clearly state: “This is primary insurance without recourse to similar insurance maintained by the additional insured or its subsidiaries and affiliates, if any.”

8.3. Notice of Cancellation. The Supplier will be required to provide not less than thirty (30) days’ prior notice of cancellation, intention not to renew, or material change in coverage; provided, however, that no reduction, cancellation or material changes in any policy will relieve the Supplier of Supplier’s obligation to maintain coverages in accordance with this Agreement.

8.4. Subrogation. The Supplier, on behalf of the Supplier and Supplier’s insurers, hereby waives subrogation against S&W and its Affiliates under the insurance coverages maintained by the Supplier pursuant to this Agreement for losses or claims arising out of the insured party’s acts or omissions. Evidence of such waiver reasonably satisfactory in form and substance to S&W will be exhibited on the Certificates of Insurance required by this Agreement.

8.5. Limits. The limits of liability set forth above may be afforded by any combination of primary and excess liability insurance as long as the insurance coverage provided by the excess liability insurance is as broad as that provided by the primary insurance.

9. CONFIDENTIALITY

9.1. Non-Use and Non-Disclosure. Neither party shall use the other party’s Confidential Information except for the purpose of performing its obligations under this Agreement (“Purpose”). Each party shall protect the Confidential Information of the other party from disclosure and unauthorized use in the same manner that it protects its own proprietary and confidential information of like nature, but in no event shall such standard of care be less than reasonable care. Supplier may disclose the Confidential Information of the other party only to those of its employees, subcontractors, contractors, directors, advisors, auditors, attorneys and consultants who require such information for the Purpose and who are subject to confidentiality obligations at least as protective as those set forth herein. Each party shall immediately notify the other party in the event of any unauthorized use or disclosure of the other party’s Confidential Information. In the event that a party’s Confidential Information is required to be disclosed by the other party pursuant to law, regulation or valid court order, the other party shall be permitted to make such disclosure; provided, however, that (i) it shall promptly notify the party of the fact in writing to permit the party the reasonable opportunity to appear in any judicial proceeding involved or otherwise to act to preserve its rights; and (ii) such disclosure is no greater than what was required to be compliant with such law, regulation or order.

9.2. Survival of Non-Use and Non-Disclosure Obligations. All non-use and non-disclosure obligations concerning Confidential Information shall survive for a period of five (5) years (except for trade secrets, which shall continue in full force and effect indefinitely) from the date of expiration or termination of this Agreement.

9.3. Injunctive Relief. Both parties acknowledge that disclosure or unauthorized use of the other's Confidential Information will cause irreparable harm to the party, inadequately compensable in damages, and that the party may obtain injunctive relief to prevent any disclosure or unauthorized use of its Confidential Information. If a party is successful in any action to enforce the other's obligations under this Section, that party shall be entitled to recover reasonable attorneys' fees and court costs.

9.4. Return of Property. Upon the termination or expiration of this Agreement, each party agrees to end all further use of and to delete or destroy all copies of (and upon request, provide a written certification of such deletion or destruction), any and all such other party's Confidential Information, in whatever form, which are in possession of or under the control of such party.

10. OTHER COVENANTS.

10.1. Compliance with Laws by Supplier. Supplier, and any Products or related services supplied by Supplier, shall comply with all applicable Federal, state and local laws, rules, regulations, orders, conventions, ordinances or standards, including, without limitation, those that relate to the manufacture, labeling, transportation, importation, exportation, use, operation, licensing, approval or certification of the Products or related services, and including, without limitation, the U.S. Foreign Corrupt Practices Act, the U.S. International Traffic in Arms Regulations and the U.S. Export Administration Regulations. Supplier shall comply with Executive Order No. 11246, as amended, The Rehabilitation Act of 1973, The Vietnam Era Veterans Readjustment Assistance Act of 1974, and any related rules and regulations, and any other law, order or regulation required to be included herein, as a result of S&W's use of Products or related services ordered in or for S&W's performance of contracts with any governmental authority. This shall include, without limitation, an obligation by Supplier to take affirmative action to employ and advance in employment qualified individuals with disabilities, and qualified special disabled veterans, veterans of the Vietnam era and any other veterans who served on active duty during a war or in a campaign or expedition for which a campaign badge has been procured. Supplier further represents that neither it nor any of its subcontractors will utilize slave, prisoner or any other form of forced or involuntary labor in the supply of the Products or any services under this Agreement. Supplier shall furnish S&W, upon request from time to time, in such form as S&W may designate, certificates of Supplier's compliance with any such laws, orders and regulations. At S&W's request, Supplier shall certify in writing its compliance with the foregoing.

10.2. Compliance with Laws by S&W. S&W shall comply with all applicable Federal, state and local laws, rules, regulations, orders, conventions, and ordinances, including, without limitation, those that relate to the purchase, resale, exportation, use, operation, licensing, approval of such Products, as applicable, and including, without limitation, the U.S. Foreign Corrupt Practices Act, the U.S. International Traffic in Arms Regulations and the U.S. Export Administration Regulations.

11. TERMINATION

11.1. Termination for Bankruptcy or Insolvency. Unless expressly prohibited by applicable law, either party may terminate this Agreement immediately for cause by providing notice to the other party if the other party: (a) commences or becomes the subject of any case or proceeding under the bankruptcy, insolvency or equivalent laws of the United States; (b) has appointed for it or for any substantial part of its property a court appointed receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official; (c) makes an assignment for the benefit of its creditors; (d) admits in writing its inability to generally to pay its debts as they become due; or (e) takes corporate action in furtherance of any of the foregoing (collectively, herein referred to as "Events of Insolvency"). Each party shall immediately give the other party written notice of any Event of Insolvency with respect to such party.

11.2. Termination for Breach. Either party may terminate this Agreement 30 days after giving notice of the other party's material breach or default of this Agreement, including any four late deliveries by Supplier in a six-month period that would permit S&W to cancel its order pursuant to Section 4.5, provided that such breach shall continue and not be cured within 30 days after such notice (or, if not able to be cured within 30 days, within a commercially reasonable time period for such cure).

11.3. No Liability. Except as provided in Section 11.4, neither party shall be liable for any damage of any kind (whether direct or indirect) incurred by the other party by reason of the expiration or earlier termination of this Agreement. Termination of this Agreement will not constitute a waiver of either Party's rights, remedies or defenses under this Agreement, at law, in equity or otherwise.

11.4. Effects of Expiration or Termination. Upon the expiration or earlier termination of this Agreement, all indebtedness of S&W to Supplier under this Agreement, of any kind, shall become immediately due and payable to Supplier, without further notice to S&W. Expiration or termination of this Agreement will not affect any rights or obligations of the parties that (i) come into effect upon or after termination or expiration of this Agreement; or (ii) otherwise survive the expiration or earlier termination of this Agreement pursuant to Section 12.10 and were incurred by the parties prior to such expiration or earlier termination. Except as otherwise agreed to by Supplier, any notice of termination under this Agreement automatically operates as a cancellation of any deliveries of Products to S&W that are scheduled to be made subsequent to the effective date of termination, whether or not any orders for such Products had been accepted by Supplier.

12. MISCELLANEOUS

12.1. Notices. All notices in connection with this Agreement shall be in writing, and deemed given when personally delivered, or one business day after being dispatched by nationally recognized overnight courier, or five business days after being mailed, postage prepaid, by certified or registered mail, return receipt requested, addressed to the other party hereto at the following address:

TO S&W:	**Smith & Wesson Brands, Inc.** 2100 Roosevelt Ave. Springfield, MA 01104 Attn: General Counsel
TO SUPPLIER:	**Crimson Trace Corporation** 1800 North Route Z Columbia, MO 65202 Attn: General Counsel
With a copy to:	TD Bank, N.A. 2 West Main St., 2nd Floor Waterbury, CT 06702 Attention: AOB Products Acct Manager

Either party may change its address for notices by notice to the other party.

12.2. Right to Audit.

a. Supplier Audit Right. S&W hereby grants Supplier access to all pertinent records, correspondence, writings, and receipts related to this Agreement, but excluding any of the same subject to the attorney-client privilege or constituting attorney work-product, for the purpose of ensuring S&W's compliance with the terms of the Agreement.

b. S&W Audit Right. Supplier hereby grants S&W access to all pertinent records, correspondence, writings, and receipts related to this Agreement, but excluding any of the same subject to the attorney-client privilege or constituting attorney work-product, for the purpose of ensuring Supplier's compliance with the terms of the Agreement.

c. Maintenance of Records. The parties to this Agreement shall maintain such records and documents for a period of six (6) years after the termination or expiration of this Agreement. Each party shall cooperate fully with the other party on all reasonable requests to audit such records.

12.3. Choice of Law, Venue. This Agreement, and all matters arising out of or relating this to this Agreement, shall be governed by and construed in accordance with the laws of the State of Delaware without regard to the conflict of laws provisions thereof. The Parties agree that the United Nations Convention on Contracts for the International Sale of Goods does not apply to this Agreement. The parties hereby consent to the exclusive jurisdiction of the courts of the State of Missouri and of the United States District Court for the Eastern District of Missouri for resolution of all claims, differences and disputes which the parties may have regarding, or which arise under, this Agreement, so long as such courts have jurisdiction. Any judgment or other decision of any such court shall be enforceable, without further proceedings, against the named party anywhere in the world where such party is located, does business or has assets.

12.4. Limitation of Liability.

a. NO LIABILITY FOR CONSEQUENTIAL OR INDIRECT DAMAGES. IN NO EVENT SHALL EITHER PARTY OR THEIR REPRESENTATIVES BE LIABLE FOR CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE OR ENHANCED DAMAGES, LOST PROFITS OR REVENUES OR DIMINUTION IN VALUE, ARISING OUT OF OR RELATING TO ANY BREACH OF THIS AGREEMENT, REGARDLESS OF (A) WHETHER SUCH DAMAGES WERE FORESEEABLE, (B) WHETHER OR NOT THE OTHER PARTY WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND (C) THE LEGAL OR EQUITABLE THEORY (CONTRACT, TORT OR OTHERWISE) UPON WHICH THE CLAIM IS BASED, AND NOTWITHSTANDING THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE.

b. MAXIMUM LIABILITY FOR DAMAGES. IN NO EVENT SHALL SUPPLIER'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER ARISING OUT OF OR RELATED TO BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, EXCEED THE TOTAL OF THE AMOUNTS PAID TO SUPPLIER PURSUANT TO THIS AGREEMENT IN THE YEAR PRECEDING THE EVENT GIVING RISE TO THE CLAIM.

Notwithstanding anything in this Agreement to the contrary, (a) the limits in this Section 12.4 and the limit on the term of Supplier's warranty under Section 6.1 of this Agreement shall not apply to any Losses resulting from third party claims arising from Supplier's breach of its representations, warranties, or covenants in this Agreement, including Sections 6.1 (Supplier's Warranty), 7.1 (Product Recalls), 7.2

(Indemnification Generally), 7.3 (IP Indemnification), and 10.1 (Compliance with Laws by Supplier), in each case so long as S&W complies with Section 7.4; (b) the limits in this Section 12.4 shall not apply to any Losses arising from a party's fraud; (c) the limit in Section 12.4(b) and the limit on the term of Supplier's warranty under Section 6.1 of this Agreement shall not apply to S&W's damages arising out of a Product recall under Section 7.1; and (d) the limits in this Section 12.4 shall not apply to any Losses arising from S&W's breach of Section 3.4 (Exclusivity).

12.5. Assignment. Except as otherwise set forth in this Section 12.5, neither party shall assign or subcontract any portion of this Agreement without the prior written consent of the other party, which shall not be unreasonably withheld. Any assignment without such consent shall be void.

Notwithstanding the foregoing, either party may assign this Agreement to any of its affiliates. This Agreement shall be binding upon and inure to the benefit of the successors and permitted assigns of the parties. Any change of control of Supplier shall be deemed an assignment of this Agreement, for which S&W's consent shall be required.

12.6. No Set-off Right. S&W shall not, and acknowledges that it will have no right, under this Agreement, any Order, any other agreement, document or law to, withhold, offset, recoup or debit any amounts owed (or to become due and owing) to Supplier or its affiliates, whether under this Agreement or otherwise, against any other amount owed (or to become due and owing) to it by Supplier or its affiliates, whether relating to Supplier's breach or non-performance of this Agreement, any Order, any other agreement between S&W or its affiliates and Supplier or its affiliates, or otherwise

12.7. Force Majeure. Neither party hereto shall be liable to the other party hereto for nonperformance or delay in performance of any of its obligations under this Agreement due to the causes beyond its reasonable control including, without limitation, fires, floods, labor troubles or other industrial disturbances, governmental acts or regulations, pandemics, riots, insurrections, lightning, storm, war, and act of the public enemy (herein referred to as "Force Majeure"); provided, however, in no event shall the inability to make payments be an event of "Force Majeure". Upon the occurrence of any such event of Force Majeure, the affected party shall promptly notify the other party of such event and the details surrounding the same and shall keep the other party informed of any further developments of such event. After such event ceases or is removed, the affected party shall perform all its obligations still pending with reasonable promptness, unless this Agreement has been terminated in accordance with its terms. If an event of Force Majeure prevents performance by a party for more than 21 consecutive days ("Prolonged Force Majeure"), either party may, with notice to the other, cancel any Order affected by such Prolonged Force Majeure (an "Affected Order") without any further liability thereunder. In addition, to the extent such Affected Order has been cancelled in accordance with this Section 12.7, S&W may purchase the Product under such Affected Order (up to the amount set forth in such Order) from a third-party. In no event shall S&W purchase more than customarily purchased hereunder during an event of Force Majeure to circumvent the exclusivity provisions of this Agreement.

12.8. Use of Name. S&W shall have a non-exclusive license to use any Supplier-owned trademarks used on or in packaging for Products in connection with S&W's sales and marketing of the Products. Except as expressly permitted by this Agreement, without the prior written consent of the other party, neither party shall use the other party's name or any of its trademarks or logos, including in any advertising or marketing materials.

12.9. Prohibition Against Insider Trading. Supplier hereby acknowledges that United States securities laws, as well as other applicable securities laws and regulations, prohibit any person who has material, non-public information about a company from purchasing or selling the securities of such company or from communicating such information to any other person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities. Supplier shall inform each of its employees and subcontractors providing any services in connection with this Agreement of this restriction.

12.10. Survival. Subject to the limitations and other provisions of this Agreement: (a) the representations and warranties of the Parties contained herein will survive the expiration or earlier termination of this Agreement; and (b) Sections 7, 9, 11.3, 11.4, 12.1, 12.2., 12.3, 12.4, 12.5, 12.6, 12.7, 12.8, 12.9, 12.10, 12.11, 12.12, and 12.13 of this Agreement, as well as any other provision that, in order to give proper effect to its intent, should survive such expiration or termination, will survive the expiration or earlier termination of this Agreement for the period specified therein, or if nothing is specified for the applicable statute of limitations. All other provisions of this Agreement will not survive the expiration or earlier termination of this Agreement. Notwithstanding any right under any applicable statute of limitations to bring a claim, no action based upon or arising in any way out of this Agreement may be brought by either party after the expiration of the applicable survival or other period set forth in this Section and the parties waive the right to file any such action after the expiration of the applicable survival or other period; provided, however, that the foregoing waiver and limitation do not apply to the collection of any amounts due to Supplier under this Agreement.

12.11. Severability; Waiver. If any portion of this Agreement shall be invalid or unenforceable or shall violate any applicable law, then such provisions shall be enforced to the maximum extent permitted by law, and such invalidity or unenforceability shall neither invalidate their effect elsewhere nor affect the validity or enforceability of the other provisions of this Agreement. Any failure or delay of either party in exercising any right hereunder (including without limitation, to the right to require performance of any provision of this Agreement) shall not be deemed to be a waiver or relinquishment of such right. Any express waiver or relinquishment of a term or condition of this Agreement shall not be binding or effective unless made in writing signed by the party waiving or relinquishing its rights.

12.12. Entire Agreement. This Agreement, together with any schedules and attachments hereto, constitutes the entire and only agreement between the parties regarding its subject. No modification, change or amendment of this Agreement shall be binding upon the parties except by mutual express consent in writing executed by a duly authorized officer or representative of each of the parties.

12.13. Captions. Captions and headings used in this Agreement are for convenience only, and shall not be of any force and effect in construing this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their duly authorized officers as of the day and year first hereinabove written.

SUPPLIER:

Crimson Trace Corporation

By: */s/ Brian D. Murphy*
Name: Brian D. Murphy
Title: President

S&W:

Smith & Wesson Inc.

By: */s/ Mark P. Smith*
Name: Mark P. Smith
Title: President

Exhibit 10.7

SUPPLY AGREEMENT

This Supply Agreement (the "Agreement") is dated as of August 24, 2020 (the "Effective Date"), by and between **Smith & Wesson Inc.**, a Delaware corporation having its principal address at 2100 Roosevelt Avenue, Springfield, MA 01104 ("S&W"), and **AOB Products Company**, a corporation organized under the laws of Missouri having its principal address at 1800 North Route Z Columbia, MO 65202 (hereinafter referred to as "Supplier").

WITNESSETH:

WHEREAS, S&W wishes to purchase from Supplier and Supplier wishes to sell to S&W certain Products (as defined below) in accordance with the terms and conditions set forth in this Agreement.

NOW THEREFORE, in consideration of the premises, mutual promises, and the representations, warranties and covenants herein contained, the sufficiency of which is hereby mutually acknowledged, the parties agree as follows:

1. DEFINITION OF TERMS

As used in this Agreement, the following terms shall have the following meanings, respectively:

1.1. "Confidential Information" shall mean all drawings, designs, sketches, blueprints, technical specifications, engineering calculations, models, formulas, data, reports, interpretations, forecasts, and records of a party, and all other confidential information concerning such party's business, whether in written, oral, or any other form or medium, and whether or not labeled as confidential by such party, but excluding the same which (a) is or becomes generally available to and known by the public other than as a result of the other party's breach of Section 9.1, or (b) becomes available to the other party on a non-confidential basis from a third-party source, provided that such third party is not and was not prohibited from disclosing such Confidential Information.

1.2. "Delivery Date(s)" shall mean the date or dates requested for delivery of Products as set forth in any Order.

1.3. "Order" shall mean a written purchase order by S&W that may be transmitted electronically to Supplier or otherwise sent to Supplier in any manner mutually agreed to by the parties.

1.4. "Price" shall mean the prices for the Products set forth on **Schedule C** hereto.

1.5. "Product(s)" shall mean the product or products described in **Schedule A** hereto and conforming to the specifications ("Specifications") set forth in **Schedule A**.

1.6. "S&W Licensed Products" means Products licensed by S&W to Supplier as of the Effective Date.

2. TERM

2.1. Term. This Agreement shall become effective as of the Effective Date and shall continue for a period of 24 months, unless earlier terminated in accordance with its terms (the "Term"). Not later than six (6) months prior to the expiration of this Agreement, the parties shall engage in good faith discussions regarding any renewal or extension of this Agreement. The "**Term**" of this Agreement shall include the Initial Term and any renewal or extension terms.

3. SALE OF PRODUCTS

3.1. Sale. Supplier agrees to sell and S&W agrees to purchase Products from Supplier in accordance with the terms and conditions set forth in this Agreement.

3.2. Orders. Unless otherwise agreed to by S&W in writing, no Products shall be supplied hereunder without the issuance by S&W to Supplier of an Order for such Products. Supplier's acceptance of an Order shall be confirmed upon the earlier of a written confirmation or delivery of the Products set forth in such Order. Except as set forth in this Agreement, Supplier may not reject an Order. In addition, except as set forth in this Agreement, Supplier may only cancel an Order already accepted if S&W is in breach of this Agreement. The terms and conditions of this Agreement shall be deemed incorporated into and made a part of each Order, and shall supersede and control over any inconsistent or contradictory provisions of any quote, acknowledgment of Order, invoice or any other document of Supplier or S&W (including any Order issued by S&W).

3.3. Forecasts. Upon execution of this Agreement, S&W shall provide to Supplier a forecast including a good faith estimate of S&W's requirements for Products (a "Forecast") for the 6-month period beginning on the Effective Date. No later than the sixty (60) days prior to the first day of each subsequent 6-month period during the Term, S&W shall deliver to Supplier a Forecast for the period beginning with the first day of such subsequent 6-month period. Forecast are for informational purposes only and do not create any binding obligations on behalf of either party; provided, however, that Supplier shall not be required to sell to S&W, and may in its sole discretion reject (without penalty or liability) any Order for, any quantity of Products that is not set forth in any Forecast for the period covered by such Forecast.

3.4. Exclusivity. During the Term of this Agreement, except as otherwise provided in this Agreement, S&W shall purchase Products exclusively from Supplier. Except as expressly set forth in Sections 4.5 and 12.7, during the Term, S&W will not, directly or indirectly, (i) interfere with Supplier's relationships with its suppliers or (ii) except as otherwise provided in this Agreement, otherwise contract with any suppliers for the purchase, manufacturing, or license of any Products. Except for locks and soft-sided bags, notwithstanding anything in this Agreement to the contrary, S&W may enter into arrangements pursuant to which S&W may purchase nationally recognized third party branded products ("Co-Branded Products"), which may be the same as or similar to Products sold by Supplier, in order to integrate, or co-brand with S&W products, or otherwise promote S&W products in conjunction with the products of such nationally recognized third party. Notwithstanding anything in this Agreement to the contrary, S&W may manufacture, directly or through an Affiliate, or purchase from a third party, any "Promotional Products" (as herein defined). "Promotional Products" shall mean any products that will be used by S&W or any Affiliate for promotional purposes or giveaway purposes, and not directly tied to a revenue generating transaction. The exclusivity provisions of Section 3.4, Right of First Proposal provisions of Section 3.5 and any other restrictions in this Agreement shall not apply to Promotional Products.

3.5. Right of First Proposal. Supplier shall have, and S&W hereby grants to Supplier, a right of first proposal to supply any products that are similar to the Products but are materially different in a manner that justifies a change in pricing as reasonably determined by the Parties (examples of such material differences are significant size differences, co-branding, material construction or quality differences; whereas non-material differences would be minor cosmetic changes such as colors, patterns, cosmetic finishing (and all of such products with non-material differences shall continue to be "Products" hereunder)) (collectively, "Proposed Products") to S&W and its affiliates (the "Right of First Proposal"); *provided, however*, such Right of First Proposal shall not apply to any product that is being manufactured for S&W by a third party as of the Effective Date. S&W shall provide written notice specifically referencing this Section 3.5 to Supplier of any Proposed Products S&W proposes to purchase prior to purchasing, or entering into any contract to purchase, such Proposed Products. Supplier shall have thirty (30) days from

the receipt of such notice to provide a pricing proposal (which shall include terms regarding delivery, lead times and product performance) to S&W to supply such Proposed Products to S&W under this Agreement. If S&W accepts such pricing proposal, such Proposed Products shall become "Products" hereunder, and S&W and Supplier shall update the Schedules to this Agreement to incorporate the information applicable to such Proposed Products.

3.6. Access to S&W's Facilities. If in providing Products or related services under this Agreement, Supplier shall require access to S&W's facilities: (i) any such access by Supplier and its personnel shall be subject to the U.S. International Traffic in Arms Regulations and S&W's security policies from time to time in effect, which limit those individuals who may access S&W's facilities; and (ii) Supplier shall satisfy any requirements of S&W to provide insurance, which may be in addition to the insurance otherwise required under this Agreement, on account of Supplier's activities on S&W's site.

3.7. Manufacturing Facility. In manufacturing any Products, Supplier shall maintain an organization and facilities, including, without limitation, suitable equipment and tools, in accordance with standards generally accepted in the industry, and employ adequately trained and competent personnel in all functions. Supplier will keep complete and accurate records in all material respects with respect to Products it manufactures pursuant to this Agreement. Supplier shall, upon S&W's request from time to time by providing at least 7 days prior notice, allow S&W or its representatives access to Supplier's facilities to inspect the manufacture and assembly of the Products during reasonable hours, and provide S&W with such records in the possession of Supplier, as S&W may reasonably request, relating to the manufacture of Products and the source of any raw materials and components used in the Products; *provided*, *however*, in no event shall such inspection interfere with the business of Supplier.

3.8. License to Products and Patents in Products. During the term of this Agreement, Supplier hereby grants S&W a royalty-free, nontransferable, nonsublicenseable, worldwide, non-exclusive license to offer to sell and sell firearms that incorporate the Products. The grant of such license shall be effective upon the signing of this Agreement.

3.9. License to Supplier Trade and Service Marks and Trade Dress. During the term of this Agreement, Supplier hereby grants S&W a royalty-free, nontransferable, nonsublicenseable, worldwide, non-exclusive license to use Supplier trademarks, service marks, and trade dress ("Supplier Marks") in connection with the Products. This license is subject to the following restrictions: S&W will use the Supplier Marks only in ways that reflect favorably on Supplier and its products, and shall not use the Supplier Marks in any way that is immoral, illegal, or scandalous or in any way that could impair the reputation of Supplier or the Supplier Marks, and S&W will not obscure, deface or remove the Supplier Marks on the Products. In any promotional or advertising material in any media, S&W will identify the Supplier Marks as belonging to Supplier, using words to the effect that "AOB Products Company trademarks are property of AOB Products Company, Columbia, Missouri, and are used by permission."

4. ORDERING; DELIVERY

4.1. Deliveries. Unless otherwise specified in an Order (and agreed to by Supplier) or as set forth below, all deliveries shall be F.O.B. Supplier's plant in Columbia, Missouri. Title to Products shall pass to S&W at such point and S&W shall assume all risk of loss of any Products after such point, including while any Products are in the possession, custody or control of a carrier. All deliveries from outside of the United States shall be F.O.B. Destination. Title to such Products shall pass to S&W at such destination point and S&W shall assume all risk of loss of any such Products after such destination point. Supplier shall (i) pack the Products in such a manner as to insure against damage from weather or transportation costs, and (ii) label such Products and provide instructions and other information, including, without limitation, Material Safety Data Sheets, as required by any applicable law or regulations or for proper use of the Products.

4.2. Shipping. Except as set forth herein, Supplier shall pay the costs of shipping such Products to S&W in accordance with its Orders (but, for the avoidance of doubt, S&W shall pay for the cost of any insurance on such Products after transfer of risk of loss and title of such Products as set forth in Section 4.1). In its shipment of Products, Supplier shall comply with S&W's shipping guidelines in effect as of the Effective Date. If, in order to comply with S&W's required Delivery Date, Supplier must ship by a more expensive way than specified in this Agreement or in an Order, any resulting increased transportation costs shall be paid for by Supplier unless the necessity for such rerouting or expedited handling has been caused by S&W.

4.3. Lead Times. Lead times for delivery of the Products are set forth in **Schedule B** to this Agreement (the "Lead Times"). Supplier shall deliver Products ordered by S&W by the applicable Delivery Date set forth in S&W's Order, so long as the Delivery Date is consistent with the Lead Times. If applicable Lead Times are not set forth in **Schedule B**, the Delivery Date shall be such date as reasonably agreed to by the parties.

4.4. Production Capacity. Supplier shall maintain sufficient production capacity as to be able to supply Products in accordance with any reasonable S&W forecasts and the Lead Times. Supplier shall notify S&W as soon as is reasonably possible of any inability by Supplier to produce and deliver Products in such quantities as are necessary to meet S&W's anticipated volume requirements.

4.5. Remedies for Late Delivery. Supplier shall use commercially reasonable efforts to deliver all Products on or before the Delivery Date as set forth in Section 4.3 above. If Supplier fails to deliver Products within 14 days of the Delivery Date and if such delay is not due to any action or inaction of S&W or otherwise excused in accordance with this Agreement, S&W shall receive a 10% discount on such Order or S&W may, at its sole discretion, cancel its Order for such Products by giving Supplier written notice of such cancelation prior to shipment of the Products for such Order and procure similar products (up to the amount of the Products set forth in such Order) from another source. Subject to S&W's rights under this Section 4.5, no delay in the shipment or delivery of any Products relieves S&W of its obligations under this Agreement, including accepting delivery of any remaining installment or other Orders of Products.

4.6. Changes. S&W may, at any time, make changes in quantities, packaging, time and place of delivery, and method of transportation. If any such changes cause an increase or decrease in the cost, or the time required for performance or delivery, an equitable adjustment shall be made, provided that Supplier notifies S&W, within seven days after S&W notifies Supplier of any such change, of any proposed increase in price or delay in delivery resulting from such change, and if the parties are then unable to agree on an adjustment, S&W may cancel all or any part of its Order subject to Section 4.7 below.

4.7 Cancellation. S&W may cancel all or any part of any unshipped portion of its Order without obligation hereunder except to make payment for the Products actually shipped prior to such cancellation and, with respect to any cancelled Non-Stock Items, to pay Supplier for direct costs incurred by Supplier in connection with such cancelled Non-Stock Products, including without limitation production and facility costs and Supplier's costs for cancelling any orders with its suppliers. In no event shall S&W be liable under this Section 4.7 with respect to a cancellation for more than the price of the applicable Products. Title to any unfinished work-in-process paid for by S&W shall vest in S&W. For purposes hereof, "Non-Stock Items" are Products manufactured exclusively for S&W (or its affiliates).

5. TERMS AND CONDITIONS OF PURCHASE

5.1. Prices. Prices for the Products shall be those prices set forth in **Schedule C** attached hereto. The Product prices include all charges for Supplier's boxing, packaging, packing, crating, storage and handling, to the F.O.B. point, freight costs to ship pursuant to the Order and duties (but excluding any insurance on the Products during shipment of the Products after transfer of risk and title as set forth in Section 4.1). In addition, Supplier shall be liable for any applicable sales, use or similar taxes, excises, and similar charges, which shall be separately invoiced to S&W. The pricing formulas set forth in **Schedule C** shall remain firm for the Term. With respect to the S&W Licensed Products only, Supplier shall not, during the Term, offer or sell to any similarly situated third-party buyers any products that are similar to the Products supplied to S&W under this Agreement at prices that are lower than the prices set forth in **Schedule C** without offering such lower prices to S&W.

5.2. Payment. S&W shall pay the price of Products ordered by S&W after receipt by S&W of such Products and of an invoice from Supplier for such Products. Supplier's invoice shall specify the Order number, Order date, a general description of the Products supplied, the date of supply, and the sum due. Unless otherwise stated, S&W's payment shall be due 30 days after S&W's receipt of Supplier's invoice in accordance with this Agreement. S&W shall be entitled to any cash discount period available to Supplier's customers. Supplier shall be solely responsible for filing all appropriate tax forms and paying all applicable sales, use and similar taxes, duties, export preparation charges and export documentation charges resulting from the sale of the Products under this Agreement. Any payment by S&W under this Agreement shall not relieve Supplier from any obligations hereunder with respect to defective Products.

5.3. Late Payments. S&W shall pay interest on all late payments (whether during the Term or after the expiration or earlier termination of the Term), calculated daily and compounded monthly, at the lesser of 10% per year or the highest rate permissible under applicable law. S&W shall also reimburse Supplier for all costs incurred by Supplier in collecting any late payments, including reasonable attorneys' fees and court costs. In addition to all other remedies available under this Agreement or at law, if S&W fails to pay any amounts when due under this Agreement, other than amounts disputed by S&W in good faith, Supplier may (a) suspend the delivery of any Products, and (b) reject S&W's Orders or cancel accepted Orders.

5.4. Rejection. Payment for Products delivered hereunder shall not constitute S&W's acceptance thereof. S&W shall have the right within 14 days of receipt (the "Inspection Period") to inspect any Products and to reject the same to the extent (i) the amount of Product is more than the amount requested in the Order (but such rejection right shall only be with respect to the excess amount), (ii) the Product is materially damaged or (iii) for obvious and apparent deviations from the Specifications for such Product, which are obvious without opening the packaging for each Product ("Nonconforming Products"). S&W will be deemed to have accepted Products unless it provides Supplier with written notice of any Nonconforming Products within the Inspection Period, stating with specificity all defects and nonconformities, and furnishing such other written evidence or other documentation as may be reasonably required by Supplier. If S&W timely notifies Supplier of any Nonconforming Products and Supplier agrees that such Products are Nonconforming Products, Supplier shall either, at S&W's election: (a) replace such Nonconforming Products with conforming Products; or (b) refund to S&W such amount paid by S&W to Supplier for such Nonconforming Products returned by S&W to Supplier and cancel the Order for such returned Nonconforming Products. If S&W elects to replace Nonconforming Products, Supplier shall ship, at Supplier's expense and risk of loss, the replacement Products.

6. WARRANTY; SUPPORT

6.1. Supplier's Warranty. For a 12 month period from the expiration of the Inspection Period for such Products, Supplier warrants that the Products furnished under this Agreement shall (i) conform in every respect to any specifications provided by Supplier to S&W; (ii) be new and free from material defects in material or workmanship; (iii) be adequately contained, packaged, marked, and labeled; (iv) conform to any and all applicable technical and safety provisions and comply in all respects with any and all applicable federal, state and local laws, regulations, directives and standards including, without limitation, those concerning safety, labor, health and the environment; and (v) be appropriate for the purpose for which the Product is intended to be used. Inspection, testing, acceptance or use of the Products shall not affect Supplier's obligation under this warranty, and such warranty shall survive inspection, testing, acceptance and use. The foregoing shall not limit, however, Supplier's standard warranty for a Product provided to the end-user (consumer purchaser) of such Product as set forth on the packaging of such Product ("End-User Warranty"), and S&W may sell the Products to end-users subject to Supplier's End-User Warranty.

6.2. Warranty Limitations. The warranty set forth in Section 6.1 does not apply to any Product that: (i) has been subjected to abuse, misuse, neglect, negligence, accident, improper testing, improper installation, improper storage, improper handling, abnormal physical stress, abnormal environmental conditions or use contrary to any instructions issued by Supplier; (ii) has been reconstructed, repaired or altered by persons other than Supplier or its authorized representatives; or (iii) has been used with any third-party products, hardware or product that has not been previously approved in writing by Supplier. In addition, in no event shall Supplier be liable or responsible for any warranty provided to end-users of the Product greater than Supplier's End-User Warranty.

6.3 DISCLAIMER. EXCEPT FOR THE END-USER WARRANTY, EXCEPT TO THE EXTENT LIMITATIONS ON PRODUCT WARRANTIES TO CONSUMERS ARE NOT PERMITTED BY APPLICABLE LAW, AND EXCEPT FOR THE PRODUCT WARRANTY SET FORTH IN SECTION 6.1 AND THE OTHER EXPRESS REPRESENTATIONS AND WARRANTIES OF SUPPLIER SET FORTH IN THIS AGREEMENT, (A) NEITHER SUPPLIER NOR ANY PERSON ON SUPPLIER'S BEHALF HAS MADE OR MAKES ANY EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY WHATSOEVER, EITHER ORAL OR WRITTEN, INCLUDING ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR TITLE, WHETHER ARISING BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE OR OTHERWISE, ALL OF WHICH ARE EXPRESSLY DISCLAIMED, AND (B) S&W ACKNOWLEDGES THAT IT HAS NOT RELIED UPON ANY REPRESENTATION OR WARRANTY MADE BY SUPPLIER, OR ANY OTHER PERSON ON SUPPLIER'S BEHALF, EXCEPT AS SPECIFICALLY PROVIDED IN THIS AGREEMENT.

7. PRODUCT CAMPAIGNS; INDEMNIFICATION

7.1. Product Recalls. If any Products have been manufactured by or for Supplier in a manner that is inconsistent with Product Specifications or if any Products otherwise do not comply with Supplier's warranty, and S&W requests Supplier to recall such Products for safety reasons, then Supplier shall determine, under its recall standards, whether a recall of any Products should be made. If Supplier determines that for any reason a recall of such Products should be made, then Supplier shall recall such Products at its own expense. In such case, S&W shall take all reasonable actions requested by Supplier to assist in such a recall. S&W shall not modify or retrofit any Product as part of any recall or retrofit campaign by S&W without Supplier's prior written consent, which shall not be unreasonably withheld.

7.2. Indemnification Generally. Without limiting any other remedies available to the parties, each party shall indemnify, defend and hold the other party and its respective officers, directors, employees, agents, customers, subsidiaries, parents and affiliates (each a "Protected Party") harmless from and against any and all claims (including, without limitation, third party claims for personal injury or real or personal property damage), actions, suits, damages, losses, deficiencies, liabilities, obligations, commitments, costs or expenses of any kind or nature (including reasonable legal and other expenses) incurred by such Protected Party (altogether "Losses") resulting from: (i) any breach of the representations, warranties, covenants, agreements and obligations of such party hereunder (including, with respect to Supplier, a breach of its End-User Warranty); or (ii) any negligent or willful acts or omissions of such party, its directors, officers, employees, agent, contractors, subsidiaries, parents, affiliates or those acting for any of them, except to the extent any damages or liabilities are directly caused by the willful misconduct of the Protected Party. Without limiting any other remedies available to the parties, Supplier shall indemnify, defend and hold S&W and its officers, directors, employees, agents, customers, subsidiaries, parents and affiliates (each a "S&W Protected Party") harmless from and against (iii) any and all Losses resulting from any failure of any Product to comply with applicable law, or (iv) S&W's direct costs under any Product recall under Section 7.1. This Section will survive the termination or expiration of this Agreement.

7.3. IP Indemnification. Supplier shall indemnify, defend and hold harmless S&W and its Protected Parties from and against all claims by a third party alleging that any of the Products infringe any Intellectual Property Right of a third party, except to the extent the same relates to or results from (i) use of S&W's trademarks, or (ii) Supplier's compliance with any Specifications or design supplied by S&W. If the Products, or any part of the Products, becomes, or in Supplier's reasonable opinion is likely to become, subject to a Third Party Claim that qualifies for intellectual property indemnification coverage under this Section 7.3, Supplier shall notify S&W in writing to cease using all or a part of the Products, in which case S&W shall immediately cease all such use of such Products and Supplier shall use its best efforts to provide Products or similar substitute Products that are non-infringing to S&W.

7.4. Defense of Third Party Indemnifiable Claims. If a Protected Party seeks indemnification or damages (the "Indemnified Party") under this Agreement from the other party (the "Indemnifying Party") for any claim asserted, against such Indemnified Party by a third party (a "Third Party Claim"), the Indemnified Party shall, promptly upon gaining knowledge of such Third Party Claim, deliver to the Indemnifying Party notice of such Third Party Claim with sufficient detail as to why the Indemnifying Party is responsible for such Third Party Claim; provided, that a failure by the Indemnified Party to give such notice in the manner required pursuant to this Section 7.4 shall not limit or otherwise affect the obligations of the Indemnifying Party under this Agreement, except to the extent that Indemnifying Party is actually prejudiced with respect to the rights available to the Indemnifying Party with respect to such Third Party Claim, and then only to the extent of any such actual prejudice. The Indemnifying Party shall have the right, at its sole option and expense, to appoint counsel of its choice, which must be reasonably satisfactory to the Indemnified Party, and to defend against, negotiate, settle or otherwise deal with such Third Party Claim in lieu of the Indemnified Party defending or settling such claim; *provided*, the Indemnifying Party shall not have the right to defend such Third Party Claim if such Third Party Claim seeks relief other than the payment of monetary damages.

7.5. Exclusion from Indemnification. Notwithstanding anything in this Agreement to the contrary, in no event shall Supplier be liable for, or be required to indemnify S&W or its Protected Parties for, Losses arising from (i) the use of the Products in any manner not otherwise authorized under this Agreement or that does not materially conform with any usage instructions provided by Supplier, (ii) S&W's marketing, advertising, promotion or sale of any product containing the Products, except to the extent such marketing or promotion is consistent with materials provided by Supplier; (iii) Supplier's compliance with any Specifications or design supplied by S&W; or (iii) any modifications or changes made to the Products by or on behalf of any person other than Supplier.

8. INSURANCE

8.1 Insurance. Supplier shall, at its expense, obtain and maintain in full force and effect insurance policies with minimum limits of coverage as follows:

(i) Commercial General Liability Insurance including Contractual Liability, Products and Completed Operations Liability, Broad Form Property Damage Liability including coverage for contractual liability. Limits of liability will not be less than $1,000,000 USD each occurrence and $2,000,000 USD aggregate. Commercial General Liability insurance will be written on an occurrence basis.

(ii) Excess (Umbrella) Liability underlying the insurances described in subsections (i) and (ii), in an amount of not less than $1,000,000 USD per occurrence. Excess (Umbrella) Insurance will be written on an occurrence basis.

8.2 Additional Insured. The Supplier will cause "Smith & Wesson, Inc." to be named as an additional insured on the Commercial General Liability, and Excess (Umbrella) Liability policies. The Supplier will deliver annually a certificate of insurance evidencing the coverage's required by this Agreement. The certificates of insurance will clearly state: "This is primary insurance without recourse to similar insurance maintained by the additional insured or its subsidiaries and affiliates, if any."

8.3 Notice of Cancellation. The Supplier will be required to provide not less than thirty (30) days' prior notice of cancellation, intention not to renew, or material change in coverage; provided, however, that no reduction, cancellation or material changes in any policy will relieve the Supplier of Supplier's obligation to maintain coverages in accordance with this Agreement.

8.4 Subrogation. The Supplier, on behalf of the Supplier and Supplier's insurers, hereby waives subrogation against S&W and its Affiliates under the insurance coverages maintained by the Supplier pursuant to this Agreement for losses or claims arising out of the insured party's acts or omissions. Evidence of such waiver reasonably satisfactory in form and substance to S&W will be exhibited on the Certificates of Insurance required by this Agreement.

8.5 Limits. The limits of liability set forth above may be afforded by any combination of primary and excess liability insurance as long as the insurance coverage provided by the excess liability insurance is as broad as that provided by the primary insurance.

9. CONFIDENTIALITY

9.1. Non-Use and Non-Disclosure. Neither party shall use the other party's Confidential Information except for the purpose of performing its obligations under this Agreement ("Purpose"). Each party shall protect the Confidential Information of the other party from disclosure and unauthorized use in the same manner that it protects its own proprietary and confidential information of like nature, but in no event shall such standard of care be less than reasonable care. Supplier may disclose the Confidential Information of the other party only to those of its employees, subcontractors, contractors, directors, advisors, auditors, attorneys and consultants who require such information for the Purpose and who are subject to confidentiality obligations at least as protective as those set forth herein. Each party shall immediately notify the other party in the event of any unauthorized use or disclosure of the other party's Confidential Information. In the event that a party's Confidential Information is required to be disclosed by the other party pursuant to law, regulation or valid court order, the other party shall be permitted to make such disclosure; provided, however, that (i) it shall promptly notify the party of the fact in writing to permit the party the reasonable opportunity to appear in any judicial proceeding involved or otherwise to act to preserve its rights; and (ii) such disclosure is no greater than what was required to be compliant with such law, regulation or order.

9.2. Survival of Non-Use and Non-Disclosure Obligations. All non-use and non-disclosure obligations concerning Confidential Information shall survive for a period of five (5) years (except for trade secrets, which shall continue in full force and effect indefinitely) from the date of expiration or termination of this Agreement.

9.3. Injunctive Relief. Both parties acknowledge that disclosure or unauthorized use of the other's Confidential Information will cause irreparable harm to the party, inadequately compensable in damages, and that the party may obtain injunctive relief to prevent any disclosure or unauthorized use of its Confidential Information. If a party is successful in any action to enforce the other's obligations under this Section, that party shall be entitled to recover reasonable attorneys' fees and court costs.

9.4. Return of Property. Upon the termination or expiration of this Agreement, each party agrees to end all further use of and to delete or destroy all copies of (and upon request, provide a written certification of such deletion or destruction), any and all such other party's Confidential Information, in whatever form, which are in possession of or under the control of such party.

10. OTHER COVENANTS.

10.1. Compliance with Laws by Supplier. Supplier, and any Products or related services supplied by Supplier, shall comply with all applicable Federal, state and local laws, rules, regulations, orders, conventions, ordinances or standards, including, without limitation, those that relate to the manufacture, labeling, transportation, importation, exportation, use, operation, licensing, approval or certification of the Products or related services, and including, without limitation, the U.S. Foreign Corrupt Practices Act, the U.S. International Traffic in Arms Regulations and the U.S. Export Administration Regulations. Supplier shall comply with Executive Order No. 11246, as amended, The Rehabilitation Act of 1973, The Vietnam Era Veterans Readjustment Assistance Act of 1974, and any related rules and regulations, and any other law, order or regulation required to be included herein, as a result of S&W's use of Products or related services ordered in or for S&W's performance of contracts with any governmental authority. This shall include, without limitation, an obligation by Supplier to take affirmative action to employ and advance in employment qualified individuals with disabilities, and qualified special disabled veterans, veterans of the Vietnam era and any other veterans who served on active duty during a war or in a campaign or expedition for which a campaign badge has been procured. Supplier further represents that neither it nor any of its subcontractors will utilize slave, prisoner or any other form of forced or involuntary labor in the supply of the Products or any services under this Agreement. Supplier shall furnish S&W upon request from time to time, in such form as S&W may designate, certificates of Supplier's compliance with any such laws, orders and regulations. At S&W's request, Supplier shall certify in writing its compliance with the foregoing.

10.2. Compliance with Laws by S&W. S&W shall comply with all applicable Federal, state and local laws, rules, regulations, orders, conventions, and ordinances, including, without limitation, those that relate to the purchase, resale, exportation, use, operation, licensing, approval of such Products, as applicable, and including, without limitation, the U.S. Foreign Corrupt Practices Act, the U.S. International Traffic in Arms Regulations and the U.S. Export Administration Regulations.

11. TERMINATION

11.1. Termination for Bankruptcy or Insolvency. Unless expressly prohibited by applicable law, either party may terminate this Agreement immediately for cause by providing notice to the other party if the other party: (a) commences or becomes the subject of any case or proceeding under the bankruptcy, insolvency or equivalent laws of the United States; (b) has appointed for it or for any substantial part of its property a court appointed receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official; (c) makes an assignment for the benefit of its creditors; (d) admits in writing its inability to generally to pay its debts as they become due; or (e) takes corporate action in furtherance of any of the foregoing (collectively, herein referred to as "Events of Insolvency"). Each party shall immediately give the other party written notice of any Event of Insolvency with respect to such party.

11.2. Termination for Breach. Either party may terminate this Agreement 30 days after giving notice of the other party's material breach or default of this Agreement, including any four late deliveries by Supplier in a six-month period that would permit S&W to cancel its order pursuant to Section 4.5, provided that such breach shall continue and not be cured within 30 days after such notice (or, if not able to be cured within 30 days, within a commercially reasonable time period for such cure).

11.3. No Liability. Except as provided in Section 11.4, neither party shall be liable for any damage of any kind (whether direct or indirect) incurred by the other party by reason of the expiration or earlier termination of this Agreement. Termination of this Agreement will not constitute a waiver of either Party's rights, remedies or defenses under this Agreement, at law, in equity or otherwise.

11.4. Effects of Expiration or Termination. Upon the expiration or earlier termination of this Agreement, all indebtedness of S&W to Supplier under this Agreement, of any kind, shall become immediately due and payable to Supplier, without further notice to S&W. Expiration or termination of this Agreement will not affect any rights or obligations of the parties that (i) come into effect upon or after termination or expiration of this Agreement; or (ii) otherwise survive the expiration or earlier termination of this Agreement pursuant to Section 12.10 and were incurred by the parties prior to such expiration or earlier termination. Except as otherwise agreed to by Supplier, any notice of termination under this Agreement automatically operates as a cancellation of any deliveries of Products to S&W that are scheduled to be made subsequent to the effective date of termination, whether or not any orders for such Products had been accepted by Supplier.

12. MISCELLANEOUS

12.1. Notices. All notices in connection with this Agreement shall be in writing, and deemed given when personally delivered, or one business day after being dispatched by nationally recognized overnight courier, or five business days after being mailed, postage prepaid, by certified or registered mail, return receipt requested, addressed to the other party hereto at the following address:

TO S&W:

Smith & Wesson Brands, Inc.
2100 Roosevelt Ave.
Springfield, MA 01104
Attn: General Counsel

TO SUPPLIER:

AOB Products Company
1800 North Route Z
Columbia, MO 65202
Attn: General Counsel

With a copy to:

TD Bank, N.A.
2 West Main St., 2nd Floor
Waterbury, CT 06702
Attention: AOB Products Acct Manager

Either party may change its address for notices by notice to the other party.

12.2. Right to Audit.

a. Supplier Audit Right. S&W hereby grants Supplier access to all pertinent records, correspondence, writings, and receipts related to this Agreement, but excluding any of the same subject to the attorney-client privilege or constituting attorney work-product, for the purpose of ensuring S&W's compliance with the terms of the Agreement.

b. S&W Audit Right. Supplier hereby grants S&W access to all pertinent records, correspondence, writings, and receipts related to this Agreement, but excluding any of the same subject to the attorney-client privilege or constituting attorney work-product, for the purpose of ensuring Supplier's compliance with the terms of the Agreement.

c. Maintenance of Records. The parties to this Agreement shall maintain such records and documents for a period of six (6) years after the termination or expiration of this Agreement. Each party shall cooperate fully with the other party on all reasonable requests to audit such records.

12.3. Choice of Law, Venue. This Agreement, and all matters arising out of or relating this to this Agreement, shall be governed by and construed in accordance with the laws of the State of Delaware without regard to the conflict of laws provisions thereof. The Parties agree that the United Nations Convention on Contracts for the International Sale of Goods does not apply to this Agreement. The parties hereby consent to the exclusive jurisdiction of the courts of the State of Missouri and of the United States District Court for the Eastern District of Missouri for resolution of all claims, differences and disputes which the parties may have regarding, or which arise under, this Agreement, so long as such courts have jurisdiction. Any judgment or other decision of any such court shall be enforceable, without further proceedings, against the named party anywhere in the world where such party is located, does business or has assets.

12.4. Limitation of Liability

a. NO LIABILITY FOR CONSEQUENTIAL OR INDIRECT DAMAGES. IN NO EVENT SHALL EITHER PARTY OR THEIR REPRESENTATIVES BE LIABLE FOR CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE OR ENHANCED DAMAGES, LOST PROFITS OR REVENUES OR DIMINUTION IN VALUE, ARISING OUT OF OR RELATING TO ANY BREACH OF THIS AGREEMENT, REGARDLESS OF (A) WHETHER SUCH DAMAGES WERE FORESEEABLE, (B) WHETHER OR NOT THE OTHER PARTY WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND (C) THE LEGAL OR EQUITABLE THEORY (CONTRACT, TORT OR OTHERWISE) UPON WHICH THE CLAIM IS BASED, AND NOTWITHSTANDING THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE.

b. MAXIMUM LIABILITY FOR DAMAGES. IN NO EVENT SHALL SUPPLIER'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER ARISING OUT OF OR RELATED TO BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, EXCEED THE TOTAL OF THE AMOUNTS PAID TO SUPPLIER PURSUANT TO THIS AGREEMENT IN THE YEAR PRECEDING THE EVENT GIVING RISE TO THE CLAIM.

Schedule C

Notwithstanding anything in this Agreement to the contrary, (a) the limits in this Section 12.4 and the limit on the term of Supplier's warranty under Section 6.1 of this Agreement shall not apply to any Losses resulting from third party claims arising from Supplier's breach of its representations, warranties, or covenants in this Agreement, including Sections 6.1 (Supplier's Warranty), 7.1 (Product Recalls), 7.2 (Indemnification Generally), 7.3 (IP Indemnification), and 10.1 (Compliance with Laws by Supplier), in each case so long as S&W complies with Section 7.4; (b) the limits in this Section 12.4 shall not apply to any Losses arising from a party's fraud; (c) the limit in Section 12.4(b) and the limit on the term of Supplier's warranty under Section 6.1 of this Agreement shall not apply to S&W's damages arising out of a Product recall under Section 7.1; and (d) the limits in this Section 12.4 shall not apply to any Losses arising from S&W's breach of Section 3.4 (Exclusivity).

12.5. Assignment. Except as otherwise set forth in this Section 12.5, neither party shall assign or subcontract any portion of this Agreement without the prior written consent of the other party, which shall not be unreasonably withheld. Any assignment without such consent shall be void. Notwithstanding the foregoing, either party may assign this Agreement to any of its affiliates. Without limiting the generality of the foregoing, Smith & Wesson Sales Company, or any other affiliate of S&W, may exercise the same rights as S&W to purchase Products under this Agreement, provided that such rights are subject to the same obligations of S&W hereunder (including, without limitation, Section 3.4 hereof), and upon request of Supplier, such affiliates will affirmatively agree to be bound by the terms of this Agreement prior to purchasing Product hereunder. This Agreement shall be binding upon and inure to the benefit of the successors and permitted assigns of the parties. Any change of control of Supplier shall be deemed an assignment of this Agreement, for which S&W's consent shall be required.

12.6. No Set-off Right. S&W shall not, and acknowledges that it will have no right, under this Agreement, any Order, any other agreement, document or law to, withhold, offset, recoup or debit any amounts owed (or to become due and owing) to Supplier or its affiliates, whether under this Agreement or otherwise, against any other amount owed (or to become due and owing) to it by Supplier or its affiliates, whether relating to Supplier's breach or non-performance of this Agreement, any Order, any other agreement between S&W or its affiliates and Supplier or its affiliates, or otherwise

12.7. Force Majeure. Neither party hereto shall be liable to the other party hereto for nonperformance or delay in performance of any of its obligations under this Agreement due to the causes beyond its reasonable control including, without limitation, fires, floods, labor troubles or other industrial disturbances, governmental acts or regulations, pandemics, riots, insurrections, lightning, storm, war, and act of the public enemy (herein referred to as "Force Majeure"); provided, however, in no event shall the inability to make payments be an event of "Force Majeure". Upon the occurrence of any such event of Force Majeure, the affected party shall promptly notify the other party of such event and the details surrounding the same and shall keep the other party informed of any further developments of such event. After such event ceases or is removed, the affected party shall perform all its obligations still pending with reasonable promptness, unless this Agreement has been terminated in accordance with its terms. If an event of Force Majeure prevents performance by a party for more than 21 consecutive days ("Prolonged Force Majeure"), either party may, with notice to the other, cancel any Order affected by such Prolonged Force Majeure (an "Affected Order") without any further liability thereunder. In addition, to the extent such Affected Order has been cancelled in accordance with this Section 12.7, S&W may purchase similar products to the Product under such Affected Order (up to the amount set forth in such Order) from a third-party. In no event shall S&W purchase more than customarily purchased hereunder during an event of Force Majeure to circumvent the exclusivity provisions of this Agreement.

12.8. Use of Name. S&W shall have a non-exclusive license to use any Supplier-owned trademarks used on or in packaging for Products in connection with S&W's sales and marketing of the Products. Except as expressly permitted by this Agreement, without the prior written consent of the other party, neither party shall use the other party's name or any of its trademarks or logos, including in any advertising or marketing materials.

12.9. Prohibition Against Insider Trading. Supplier hereby acknowledges that United States securities laws, as well as other applicable securities laws and regulations, prohibit any person who has material, non-public information about a company from purchasing or selling the securities of such company or from communicating such information to any other person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities. Supplier shall inform each of its employees and subcontractors providing any services in connection with this Agreement of this restriction.

12.10. Survival. Subject to the limitations and other provisions of this Agreement: (a) the representations and warranties of the Parties contained herein will survive the expiration or earlier termination of this Agreement; and (b) Sections 7, 9, 11.3, 11.4, 12.1, 12.2., 12.3, 12.4, 12.5, 12.6, 12.7, 12.8, 12.9, 12.10, 12.11, 12.12, and 12.13 of this Agreement, as well as any other provision that, in order to give proper effect to its intent, should survive such expiration or termination, will survive the expiration or earlier termination of this Agreement for the period specified therein, or if nothing is specified for the applicable statute of limitations. All other provisions of this Agreement will not survive the expiration or earlier termination of this Agreement. Notwithstanding any right under any applicable statute of limitations to bring a claim, no action based upon or arising in any way out of this Agreement may be brought by either party after the expiration of the applicable survival or other period set forth in this Section and the parties waive the right to file any such action after the expiration of the applicable survival or other period; provided, however, that the foregoing waiver and limitation do not apply to the collection of any amounts due to Supplier under this Agreement.

12.11. Severability; Waiver. If any portion of this Agreement shall be invalid or unenforceable or shall violate any applicable law, then such provisions shall be enforced to the maximum extent permitted by law, and such invalidity or unenforceability shall neither invalidate their effect elsewhere nor affect the validity or enforceability of the other provisions of this Agreement. Any failure or delay of either party in exercising any right hereunder (including without limitation, to the right to require performance of any provision of this Agreement) shall not be deemed to be a waiver or relinquishment of such right. Any express waiver or relinquishment of a term or condition of this Agreement shall not be binding or effective unless made in writing signed by the party waiving or relinquishing its rights.

12.12. Entire Agreement. This Agreement, together with any schedules and attachments hereto, constitutes the entire and only agreement between the parties regarding its subject. No modification, change or amendment of this Agreement shall be binding upon the parties except by mutual express consent in writing executed by a duly authorized officer or representative of each of the parties.

12.13. Captions. Captions and headings used in this Agreement are for convenience only, and shall not be of any force and effect in construing this Agreement.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their duly authorized officers as of the day and year first hereinabove written.

SUPPLIER:

AOB Products Company

By: */s/ Brian D. Murphy*
Name: Brian D. Murphy
Title: President

S&W:

Smith & Wesson Inc.

By: */s/ Mark P. Smith*
Name: Mark P. Smith
Title: President

AMERICAN OUTDOOR BRANDS, INC.
2020 INCENTIVE COMPENSATION PLAN

AMERICAN OUTDOOR BRANDS, INC.
2020 INCENTIVE COMPENSATION PLAN

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AMERICAN OUTDOOR BRANDS, INC.
2020 INCENTIVE COMPENSATION PLAN

1. ***Purpose***. The purpose of this AMERICAN OUTDOOR BRANDS, INC. 2020 INCENTIVE COMPENSATION PLAN (the "***Plan***") is to assist the Company and its Related Entities (as each such terms hereinafter defined) in attracting, motivating, retaining and rewarding high-quality executives and other employees, officers, directors, consultants and other persons who provide services to the Company or its Related Entities by enabling such persons to acquire or increase a proprietary interest in the Company in order to strengthen the mutuality of interests between such persons and the Company's shareholders, and providing such persons with performance incentives to expend their maximum efforts in the creation of shareholder value.

2. ***Definitions***. For purposes of the Plan, the following terms shall be defined as set forth below, in addition to such terms defined in Section 1 hereof and elsewhere herein.

(a) "***Award***" means any Option, Stock Appreciation Right, Restricted Stock Award, Restricted Stock Unit Award, Share granted as a bonus or in lieu of another Award, Dividend Equivalent, Other Stock-Based Award or Performance Award, together with any other right or interest relating to Shares or other property (including cash), granted to a Participant under the Plan.

(b) "***Award Agreement***" means any written agreement, contract or other instrument or document evidencing any Award granted by the Committee hereunder.

(c) "***Beneficiary***" means the person, persons, trust or trusts that have been designated by a Participant in his or her most recent written beneficiary designation filed with the Committee to receive the benefits specified under the Plan upon such Participant's death or to which Awards or other rights are transferred if and to the extent permitted under Section 10(b) hereof. If, upon a Participant's death, there is no designated Beneficiary or surviving designated Beneficiary, then the term Beneficiary means the Participant's estate.

(d) "***Beneficial Owner***" ***and "Beneficial Ownership"*** shall have the meaning ascribed to such term in Rule 13d-3 under the Exchange Act and any successor to such Rule.

(e) "***Board***" means the Company's Board of Directors.

(f) "***Cause***" shall, with respect to any Participant, have the meaning specified in the Award Agreement. In the absence of any definition in the Award Agreement, "Cause" shall have the equivalent meaning or the same meaning as "cause," "good cause" or "for cause" set forth in any employment, consulting, or other agreement for the performance of services between the Participant and the Company or a Related Entity or any severance plan or agreement covering the Participant. In the absence of any such agreement, plan or any such definition in such agreement or plan, such term shall mean (i) the failure by the Participant to perform, in a reasonable manner, his or her duties as assigned by the Company or a Related Entity, (ii) any violation or breach by the Participant of his or her employment, consulting or other similar agreement with the Company or a Related Entity, if any, (iii) any violation or breach by the

Participant of any non-competition, non-solicitation, non-disclosure and/or other similar agreement with the Company or a Related Entity, (iv) any act by the Participant of dishonesty or bad faith with respect to the Company or a Related Entity, (v) use of alcohol, drugs or other similar substances in a manner that adversely affects the Participant's work performance, or (vi) the commission by the Participant of any act, misdemeanor, or crime reflecting unfavorably upon the Participant or the Company or any Related Entity. The good faith determination by the Committee of whether the Participant's Continuous Service was terminated by the Company for "Cause" shall be final and binding for all purposes hereunder.

(g) "***Change in Control***" means a Change in Control as defined in Section 9(b) of the Plan.

(h) "***Code***" means the Internal Revenue Code of 1986, as amended from time to time, including regulations thereunder and successor provisions and regulations thereto.

(i) "***Committee***" means the Compensation Committee of the Board or a subcommittee thereof appointed by the Compensation Committee to act as the Committee under this Plan; provided, however, that if the Board fails to designate a Compensation Committee or if there are no longer any members on the Compensation Committee so designated by the Board, or for any other reason determined by the Board, then the Board shall serve as the Committee. While it is intended that the Committee shall consist of at least two directors, each of whom shall be (i) a "non-employee director" within the meaning of Rule 16b-3 (or any successor rule) under the Exchange Act, unless administration of the Plan by "non-employee directors" is not then required in order for exemptions under Rule 16b-3 to apply to transactions under the Plan, and (ii) "Independent", the failure of the Committee to be so comprised shall not invalidate any Award that otherwise satisfies the terms of the Plan.

(j) "***Company***" means American Outdoor Brands, Inc., a Delaware corporation, and any successor thereto.

(k) "***Consultant***" means any consultant or advisor who provides services to the Company or any Related Entity, so long as (i) such person renders bona fide services that are not in connection with the offer and sale of the Company's securities in a capital-raising transaction, (ii) such person does not directly or indirectly promote or maintain a market for the Company's securities, and (iii) the identity of such person would not preclude the Company from offering or selling securities to such person pursuant to the Plan in reliance on either the exemption from registration provided by Rule 701 under the Securities Act of 1933 or, if the Company is required to file reports pursuant to Section 13 or 15(d) of the Exchange Act, registration on a Form S-8 Registration Statement under the Securities Act of 1933.

(l) "***Continuous Service***" means the uninterrupted provision of services to the Company or any Related Entity in any capacity of Employee, Director, Consultant or other service provider. Continuous Service shall not be considered to be interrupted in the case of (i) any approved leave of absence, (ii) transfers among the Company, any Related Entities, or any successor entities, in any capacity of Employee, Director, Consultant or other service provider, or (iii) any change in status as long as the individual remains in the service of the Company or a Related Entity in any capacity of Employee, Director, Consultant or other service provider (except as otherwise provided in the Award Agreement). An approved leave of absence shall include sick leave, military leave, or any other authorized personal leave.

(m) "***Director***" means a member of the Board or the board of directors of any Related Entity.

(n) "***Disability***" shall, with respect to any Participant, have the meaning specified in the Award Agreement. In the absence of any definition in the Award Agreement, and in the case of any Option that is an Incentive Stock Option, if and to the extent required in order for the Option to satisfy the requirements of Section 422 of the Code, "disability" means a permanent and total disability (within the meaning of Section 22(e) of the Code), as determined by a medical doctor satisfactory to the Committee.

(o) "***Dividend Equivalent***" means a right, granted to a Participant under Section 6(g) hereof, to receive cash, Shares, other Awards or other property equal in value to dividends paid with respect to a specified number of Shares, or other periodic payments.

(p) "***Effective Date***" means the effective date of the Plan, which shall be August 21, 2020.

(q) "***Eligible Person***" means each officer, Director, Employee, Consultant and other person who provides services to the Company or any Related Entity. The foregoing notwithstanding, only Employees of the Company, or any parent corporation or subsidiary corporation of the Company (as those terms are defined in Sections 424(e) and (f) of the Code, respectively), shall be Eligible Persons for purposes of receiving any Incentive Stock Options. An Employee on leave of absence may, in the discretion of the Committee, be considered as still in the employ of the Company or a Related Entity for purposes of eligibility for participation in the Plan.

(r) "***Employee***" means any person, including an officer or Director, who is an employee of the Company or any Related Entity, or is a prospective employee of the Company or any Related Entity (conditioned upon and effective not earlier than, such person becoming an employee of the Company or any Related Entity). The payment of a director's fee by the Company or a Related Entity shall not be sufficient to constitute "employment" by the Company.

(s) "***Exchange Act***" means the Securities Exchange Act of 1934, as amended from time to time, including rules thereunder and successor provisions and rules thereto.

(t) "***Fair Market Value***" means the fair market value of Shares, Awards or other property on the date as of which the value is being determined, as determined by the Committee, or under procedures established by the Committee, subject to the following:

(i) If, on such date, the Shares are listed on a national or regional securities exchange or market system, the Fair Market Value of a Share shall be the closing price of a Share (or the mean of the closing bid and asked prices of a Share if the Share is so quoted instead) as quoted on the Nasdaq National Market, The Nasdaq Small Cap Market or such other national or regional securities exchange or market system constituting the primary market for the Share, as reported in The Wall Street Journal or such other source as the Company deems

reliable. If the relevant date does not fall on a day on which the Share has traded on such securities exchange or market system, the date on which the Fair Market Value shall be established shall be the last day on which the Share was so traded prior to the relevant date, or such other appropriate day as shall be determined by the Board, in its discretion.

(ii) If, on such date, the Share are not listed on a national or regional securities exchange or market system, the Fair Market Value of a Share shall be as determined by the Committee in good faith without regard to any restriction other than a restriction which, by its terms, will never lapse.

(u) "***Good Reason***" shall, with respect to any Participant, have the meaning specified in the Award Agreement. In the absence of any definition in the Award Agreement, "Good Reason" shall have the equivalent meaning or the same meaning as "good reason," "Adverse Change in Control Effect," or "for good reason," as applicable, set forth in any employment, consulting or other agreement for the performance of services between the Participant and the Company or a Related Entity or any severance agreement or plan covering the Participant. In the absence of any such agreement or plan or any such definition in such agreement or plan, such term shall mean the uncured occurrence of any of the following events without the Participant's written consent: (i) the Company in any material respect reduces the Participant's duties, authority, or base compensation, or (ii) the Participant is required to relocate more than fifty (50) miles from the Participant's then current geographic location at which the Participant performs services for the Company or a Related Entity. For purposes of this Plan, Good Reason shall be deemed to exist only if the Company or a Related Entity does not cure the circumstances giving rise to the Good Reason within sixty (60) days from the date the Participant delivers a written notice describing the circumstances giving rise to the Good Reason. Such notice must be received by the Company or its successor within thirty (30) days of the date on which the Participant becomes aware of the occurrence of such condition.

(v) "***Incentive Stock Option***" means any Option intended to be designated as an incentive stock option within the meaning of Section 422 of the Code or any successor provision thereto.

(w) "***Independent***", when referring to either members of the Board or members of the Committee, shall have the same meaning as used in the rules of the Listing Market.

(x) "***Incumbent Director***" means an Incumbent Director as defined in Section 9(b)(i) hereof.

(y) ***"Listing Market"*** means the Nasdaq Stock Market or any other national securities exchange on which any securities of the Company are listed for trading, and if not listed for trading, by the rules of the Nasdaq Stock Market.

(z) "***Option***" means a right granted to a Participant under Section 6(b) hereof, to purchase Shares or other Awards at a specified price during specified time periods.

(aa) "***Optionee***" means a person to whom an Option is granted under this Plan or any person who succeeds to the rights of such person under this Plan.

(bb) "***Other Stock-Based Awards***" means Awards granted to a Participant under Section 6(i) hereof.

(cc) "***Parent***" means any corporation (other than the Company), whether now or hereafter existing, in an unbroken chain of corporations ending with the Company, if each of the corporations in the chain (other than the Company) owns stock possessing 50% or more of the combined voting power of all classes of stock in one of the other corporations in the chain.

(dd) "***Participant***" means a person who has been granted an Award under the Plan which remains outstanding, including a person who is no longer an Eligible Person.

(ee) "***Performance Award***" means any Award granted pursuant to Section 6(h) hereof.

(ff) "***Performance Period***" means that period established by the Committee at the time any Performance Award is granted or at any time thereafter during which any performance goals specified by the Committee with respect to such Award are to be measured.

(gg) "***Person***" shall have the meaning ascribed to such term in Section 3(a)(9) of the Exchange Act and used in Sections 13(d) and 14(d) thereof, and shall include a "group" as defined in Section 13(d) thereof.

(hh) "***Related Entity***" means any Parent or Subsidiary, and any business, corporation, partnership, limited liability company or other entity designated by the Committee in which the Company, a Parent or a Subsidiary holds a substantial ownership interest, directly or indirectly, and with respect to which the Company may offer or sell securities pursuant to the Plan in reliance upon either Rule 701 under the Securities Act of 1933 or, if the Company is required to file reports pursuant to Section 13 or 15(d) of the Exchange Act, registration on a Form S-8 Registration Statement under the Securities Act of 1933.

(ii) "***Restricted Stock***" means any Share issued with such risks of forfeiture and other restrictions as the Committee, in its sole discretion, may impose (including any restriction on the right to vote such Share and the right to receive any dividends), which restrictions may lapse separately or in combination at such time or times, in installments or otherwise, as the Committee may deem appropriate.

(jj) "***Restricted Stock Award***" means an Award granted to a Participant under Section 6(d) hereof.

(kk) "***Restricted Stock Unit***" means a right to receive Shares, including Restricted Stock, cash measured based upon the value of Shares, or a combination thereof, at the end of a specified deferral period.

(ll) "***Restricted Stock Unit Award***" means an Award of Restricted Stock Units granted to a Participant under Section 6(e) hereof.

(mm) ***"Restriction Period"*** means the period of time specified by the Committee that Restricted Stock Awards shall be subject to such restrictions on transferability, risk of forfeiture and other restrictions, if any, as the Committee may impose.

(nn) "***Rule 16b-3***" means Rule 16b-3, as from time to time in effect and applicable to the Plan and Participants, promulgated by the Securities and Exchange Commission under Section 16 of the Exchange Act.

(oo) "***Shareholder Approval Date***" means the date on which this Plan is approved by shareholders of the Company eligible to vote in the election of directors, by a vote sufficient to meet the requirements of Section 422 of the Code, Rule 16b-3 under the Exchange Act and applicable requirements under the rules of the Listing Market.

(pp) "***Shares***" means the shares of common stock of the Company, par value $0.001 per share, and such other securities as may be substituted (or resubstituted) for Shares pursuant to Section 10(c) hereof.

(qq) "***Stock Appreciation Right***" means a right granted to a Participant under Section 6(c) hereof.

(rr) "***Subsidiary***" means any corporation or other entity in which the Company has a direct or indirect ownership interest of 50% or more of the total combined voting power of the then outstanding securities or interests of such corporation or other entity entitled to vote generally in the election of directors or in which the Company has the right to receive 50% or more of the distribution of profits or 50% or more of the assets on liquidation or dissolution.

(ss) "***Substitute Awards***" means Awards granted or Shares issued by the Company in assumption of, or in substitution or exchange for, awards previously granted, or the right or obligation to make future awards, by a company (i) acquired by the Company or any Related Entity, (ii) which becomes a Related Entity after the date hereof, or (iii) with which the Company or any Related Entity combines.

3. ***Administration.***

(a) ***Authority of the Committee***. The Plan shall be administered by the Committee except to the extent (and subject to the limitations imposed by Section 3(b) hereof) the Board elects to administer the Plan, in which case the Plan shall be administered by only those members of the Board who are Independent members of the Board, in which case references herein to the "Committee" shall be deemed to include references to the Independent members of the Board. The Committee shall have full and final authority, subject to and consistent with the provisions of the Plan, to select Eligible Persons to become Participants, grant Awards, determine the type, number and other terms and conditions of, and all other matters relating to, Awards, prescribe Award Agreements (which need not be identical for each Participant) and rules and regulations for the administration of the Plan, construe and interpret the Plan and Award Agreements and correct defects, supply omissions or reconcile inconsistencies therein, and to make all other decisions and determinations as the Committee may deem necessary or advisable for the administration of the Plan. In exercising any discretion granted to the Committee under the Plan or pursuant to any Award, the Committee shall not be

required to follow past practices, act in a manner consistent with past practices, or treat any Eligible Person or Participant in a manner consistent with the treatment of any other Eligible Persons or Participants. Decisions of the Committee shall be final, conclusive and binding on all persons or entities, including the Company, any Related Entity or any Participant or Beneficiary, or any transferee under Section 10(b) hereof or any other person claiming rights from or through any of the foregoing persons or entities.

(b) ***Manner of Exercise of Committee Authority.*** The Committee, and not the Board, shall exercise sole and exclusive discretion (i) on any matter relating to a Participant then subject to Section 16 of the Exchange Act with respect to the Company to the extent necessary in order that transactions by such Participant shall be exempt under Rule 16b-3 under the Exchange Act and (ii) with respect to any Award to an Independent Director. The express grant of any specific power to the Committee, and the taking of any action by the Committee, shall not be construed as limiting any power or authority of the Committee. The Committee may delegate to members of the Board, or officers or managers of the Company or any Related Entity, or committees thereof, the authority, subject to such terms and limitations as the Committee shall determine, to perform such functions, including administrative functions as the Committee may determine to the extent that such delegation will not result in the loss of an exemption under Rule 16b-3(d)(1) for Awards granted to Participants subject to Section 16 of the Exchange Act in respect of the Company. The Committee may appoint agents to assist it in administering the Plan. Any such delegations shall be set forth in a written instrument that specifies the persons authorized to act thereunder and the terms and limitations of such authority, which writing shall be delivered to the Company's Chief Financial Officer, Principal Accounting Officer and General Counsel before any authority may be exercised.

(c) ***Limitation of Liability***. The Committee and the Board, and each member thereof, shall be entitled to, in good faith, rely or act upon any report or other information furnished to him or her by any officer or Employee, the Company's independent auditors, Consultants or any other agents assisting in the administration of the Plan. Members of the Committee and the Board, and any officer or Employee acting at the direction or on behalf of the Committee or the Board, shall not be personally liable for any action or determination taken or made in good faith with respect to the Plan, and shall, to the extent permitted by law, be fully indemnified and protected by the Company with respect to any such action or determination

4. ***Shares Subject to Plan.***

(a) ***Limitation on Overall Number of Shares Available for Delivery Under Plan***. Subject to adjustment as provided in Section 10(c) hereof, the total number of Shares reserved and available for delivery under the Plan shall be 1,397,510 plus the lesser of (i) 2% of the number of Shares outstanding as of the end of each fiscal year of the Company or (ii) such lesser number of Shares as the Committee may determine. Any Shares delivered under the Plan may consist, in whole or in part, of authorized and unissued shares or treasury shares.

(b) ***Application of Limitation to Grants of Awards.***. No Award may be granted if the number of Shares to be delivered in connection with such an Award exceeds the number of Shares remaining available for delivery under the Plan, minus the number of Shares that would be counted against the limit upon settlement of then outstanding Awards. The Committee may adopt reasonable counting procedures to ensure appropriate counting, avoid double counting (as, for example, in the case of tandem or substitute awards) and make adjustments if the number of Shares actually delivered differs from the number of Shares previously counted in connection with an Award.

(c) ***Availability of Shares Not Delivered under Awards and Adjustments to Limits.***

(i) If any Shares subject to an Award are forfeited, expire or otherwise terminate without issuance of such Shares, or any Award is settled for cash or otherwise does not result in the issuance of all or a portion of the Shares subject to such Award the Shares to which those Awards were subject, shall, to the extent of such forfeiture, expiration, termination, non-issuance or cash settlement, again be available for delivery with respect to Awards under the Plan.

(ii) The full number of Shares subject to an Option granted under the Plan shall count against the number of Shares remaining available for issuance pursuant to Awards granted under the Plan, even if the exercise price of the Option is satisfied through net-settlement or by delivering Shares to the Company (by either actual delivery or attestation). Upon exercise of Stock Appreciation Rights granted under the Plan that are settled in Shares, the full number of Stock Appreciation Rights (rather than the net number of Shares actually delivered upon exercise) shall count against the maximum number of Shares remaining available for issuance pursuant to Awards granted under the Plan.

(iii) Shares withheld from an Award granted under the Plan to satisfy tax withholding requirements shall not count against the maximum number of Shares remaining available for issuance pursuant to Awards granted under the Plan, and Shares delivered by a participant to satisfy tax withholding requirements shall be added back to the Plan's Share pool.

(iv) Substitute Awards shall not reduce the Shares authorized for delivery under the Plan or authorized for delivery to a Participant in any period. Additionally, in the event that an entity acquired by the Company or any Related Entity or with which the Company or any Related Entity combines has shares available under a pre-existing plan approved by its shareholders and not adopted in contemplation of such acquisition or combination, the shares available for delivery pursuant to the terms of such pre-existing plan (as adjusted, to the extent appropriate, using the exchange ratio or other adjustment or valuation ratio or formula used in such acquisition or combination to determine the consideration payable to the holders of common stock of the entities party to such acquisition or combination) may be used for Awards under the Plan and shall not reduce the Shares authorized for delivery under the Plan if and to the extent that the use of such Shares would not require approval of the Company's shareholders under the rules of the Listing Market. Awards using such available shares shall not be made after the date awards or grants could have been made under the terms of the pre-existing plan, absent the acquisition or combination, and shall only be made to individuals who were not Employees or Directors prior to such acquisition or combination.

(v) Any Share that again becomes available for delivery pursuant to this Section 4(c) shall be added back as one (1) Share.

(vi) Notwithstanding anything in this Section 4(c) to the contrary but subject to adjustment as provided in Section 10(c) hereof, the maximum aggregate number of Shares that may be delivered under the Plan as a result of the exercise of the Incentive Stock Options shall be 1,397,510 Shares. In no event shall any Incentive Stock Options be granted under the Plan after the tenth anniversary of the date on which the Board adopts the Plan.

(vii) Notwithstanding anything in this Section 4 to the contrary, but subject to adjustment as provided in Section 10(c) hereof, in any fiscal year of the Company during any part of which the Plan is in effect, no Participant who is a Director but is not also an Employee or Consultant may receive remuneration (including, without limitation, Awards granted hereunder which are to be deemed to have a value equal to the "fair value" as of the date of grant as determined in accordance with FASB ASC Topic 718 or any other applicable accounting guidance) in excess of $350,000 in the aggregate; provided, however, the aggregate remuneration paid or provided to any new Outside Director for the first fiscal year of the Company in which he or she becomes an Outside Director shall not exceed $500,000.

5. ***Eligibility***. Awards may be granted under the Plan only to Eligible Persons.

6. ***Specific Terms of Awards.***

(a) ***General***. Awards may be granted on the terms and conditions set forth in this Section 6. In addition, the Committee may impose on any Award or the exercise thereof, at the date of grant or thereafter (subject to Section 10(e) hereof), such additional terms and conditions, not inconsistent with the provisions of the Plan, as the Committee shall determine, including terms requiring forfeiture of Awards in the event of termination of the Participant's Continuous Service and terms permitting a Participant to make elections relating to his or her Award. Except in cases in which the Committee is authorized to require other forms of consideration under the Plan, or to the extent other forms of consideration must be paid to satisfy the requirements of Delaware law, no consideration other than services may be required for the grant (as opposed to the exercise) of any Award.

(b) ***Options***. The Committee is authorized to grant Options to any Eligible Person on the following terms and conditions:

(i) ***Exercise Price***. Other than in connection with Substitute Awards, the exercise price per Share purchasable under an Option shall be determined by the Committee, provided that such exercise price shall not be less than 100% of the Fair Market Value of a Share on the date of grant of the Option and shall not, in any event, be less than the par value of a Share on the date of grant of the Option. If an Employee owns or is deemed to own (by reason of the attribution rules applicable under Section 424(d) of the Code) more than 10% of the combined voting power of all classes of stock of the Company (or any parent corporation or subsidiary corporation of the Company, as those terms are defined in Sections 424(e) and (f) of the Code, respectively) and an Incentive Stock Option is granted to such Employee, the exercise price of such Incentive Stock Option (to the extent required by the Code at the time of grant) shall be no

less than 110% of the Fair Market Value of a Share on the date such Incentive Stock Option is granted. Other than pursuant to Section 10(c)(i) and (ii) of this Plan, the Committee shall not be permitted to (A) lower the exercise price per Share of an Option after it is granted, (B) cancel an Option when the exercise price per Share exceeds the Fair Market Value of the underlying Shares in exchange for cash or another Award (other than in connection with Substitute Awards), (C) cancel an outstanding Option in exchange for an Option with an exercise price that is less than the exercise price of the original Options or (D) take any other action with respect to an Option that may be treated as a repricing pursuant to the applicable rules of the Listing Market, without approval of the Company's stockholders.

(ii) ***Time and Method of Exercise***. The Committee shall determine the time or times at which or the circumstances under which an Option may be exercised in whole or in part (including based on achievement of performance goals and/or future service requirements), the method by which notice of exercise is to be given and the form of exercise notice to be used, the time or times at which Options shall cease to be or become exercisable following termination of Continuous Service or upon other conditions, the methods by which the exercise price may be paid or deemed to be paid (including in the discretion of the Committee a cashless exercise procedure), the form of such payment, including, without limitation, cash, Shares (including without limitation the withholding of Shares otherwise deliverable pursuant to the Award), other Awards or awards granted under other plans of the Company or a Related Entity, or other property (including notes or other contractual obligations of Participants to make payment on a deferred basis provided that such deferred payments are not in violation of Section 13(k) of the Exchange Act, or any rule or regulation adopted thereunder or any other applicable law), and the methods by or forms in which Shares will be delivered or deemed to be delivered to Participants.

(iii) ***Form of Settlement.*** The Committee may, in its sole discretion, provide that the Shares to be issued upon exercise of an Option shall be in the form of Restricted Stock or other similar securities.

(iv) ***Incentive Stock Options***. The terms of any Incentive Stock Option granted under the Plan shall comply in all respects with the provisions of Section 422 of the Code. Anything in the Plan to the contrary notwithstanding, no term of the Plan relating to Incentive Stock Options (including any Stock Appreciation Right issued in tandem therewith) shall be interpreted, amended or altered, nor shall any discretion or authority granted under the Plan be exercised, so as to disqualify either the Plan or any Incentive Stock Option under Section 422 of the Code, unless the Participant has first requested, or consents to, the change that will result in such disqualification. Thus, if and to the extent required to comply with Section 422 of the Code, Options granted as Incentive Stock Options shall be subject to the following special terms and conditions:

(A) the Option shall not be exercisable for more than ten years after the date such Incentive Stock Option is granted; provided, however, that if a Participant owns or is deemed to own (by reason of the attribution rules of Section 424(d) of the Code) more than 10% of the combined voting power of all classes of stock of the Company (or any parent corporation or subsidiary corporation of the Company, as those terms are defined in Sections 424(e) and (f) of the Code, respectively) and the Incentive Stock Option is granted to such Participant, the term of the Incentive Stock Option shall be (to the extent required by the Code at the time of the grant) for no more than five years from the date of grant;

(B) the aggregate Fair Market Value (determined as of the date the Incentive Stock Option is granted) of the Shares with respect to which Incentive Stock Options granted under the Plan and all other option plans of the Company (and any parent corporation or subsidiary corporation of the Company, as those terms are defined in Sections 424(e) and (f) of the Code, respectively) that become exercisable for the first time by the Participant during any calendar year shall not (to the extent required by the Code at the time of the grant) exceed $100,000; and

(C) if Shares acquired by exercise of an Incentive Stock Option are disposed of within two years following the date the Incentive Stock Option is granted or one year following the transfer of such Shares to the Participant upon exercise, the Participant shall, promptly following such disposition, notify the Company in writing of the date and terms of such disposition and provide such other information regarding the disposition as the Committee may reasonably require.

(c) ***Stock Appreciation Rights***. The Committee may grant Stock Appreciation Rights to any Eligible Person in conjunction with all or part of any Option granted under the Plan or at any subsequent time during the term of such Option (a "Tandem Stock Appreciation Right"), or without regard to any Option (a "Freestanding Stock Appreciation Right"), in each case upon such terms and conditions as the Committee may establish in its sole discretion, not inconsistent with the provisions of the Plan, including the following:

(i) ***Right to Payment***. A Stock Appreciation Right shall confer on the Participant to whom it is granted a right to receive, upon exercise thereof, the excess of (A) the Fair Market Value of one Share on the date of exercise over (B) the grant price of the Stock Appreciation Right as determined by the Committee. The grant price of a Stock Appreciation Right shall not be less than 100% of the Fair Market Value of a Share on the date of grant, in the case of a Freestanding Stock Appreciation Right, or less than the associated Option exercise price, in the case of a Tandem Stock Appreciation Right. Other than pursuant to Section 10(c)(i) and (ii) of the Plan, the Committee shall not be permitted to (A) lower the grant price per Share of a Stock Appreciation Right after it is granted, (B) cancel a Stock Appreciation Right when the grant price per Share exceeds the Fair Market Value of the underlying Shares in exchange for another Award (other than in connection with Substitute Awards), (C) cancel an outstanding Stock Appreciation Right in exchange for a Stock Appreciation Right with a grant price that is less than the grant price of the original Stock Appreciation Right, or (D) take any other action with respect to a Stock Appreciation Right that may be treated as a repricing pursuant to the applicable rules of the Listing Market, without shareholder approval.

(ii) ***Other Terms***. The Committee shall determine at the date of grant or thereafter, the time or times at which and the circumstances under which a Stock Appreciation Right may be exercised in whole or in part (including based on achievement of performance goals and/or future service requirements), the time or times at which Stock Appreciation Rights shall cease to be or become exercisable following termination of Continuous Service or upon other conditions, the method of exercise, method of settlement, form of consideration payable in settlement, method by or forms in which Shares will be delivered or deemed to be delivered to Participants, whether or not a Stock Appreciation Right shall be in tandem or in combination with any other Award, and any other terms and conditions of any Stock Appreciation Right.

(iii) ***Tandem Stock Appreciation Rights***. Any Tandem Stock Appreciation Right may be granted at the same time as the related Option is granted or, for Options that are not Incentive Stock Options, at any time thereafter before exercise or expiration of such Option. Any Tandem Stock Appreciation Right related to an Option may be exercised only when the related Option would be exercisable and the Fair Market Value of the Shares subject to the related Option exceeds the exercise price at which Shares can be acquired pursuant to the Option. In addition, if a Tandem Stock Appreciation Right exists with respect to less than the full number of Shares covered by a related Option, then an exercise or termination of such Option shall not reduce the number of Shares to which the Tandem Stock Appreciation Right applies until the number of Shares then exercisable under such Option equals the number of Shares to which the Tandem Stock Appreciation Right applies. Any Option related to a Tandem Stock Appreciation Right shall no longer be exercisable to the extent the Tandem Stock Appreciation Right has been exercised, and any Tandem Stock Appreciation Right shall no longer be exercisable to the extent the related Option has been exercised.

(d) ***Restricted Stock Awards***. The Committee is authorized to grant Restricted Stock Awards to any Eligible Person on the following terms and conditions:

(i) ***Grant and Restrictions***. Restricted Stock Awards shall be subject to such restrictions on transferability, risk of forfeiture and other restrictions, if any, as the Committee may impose, or as otherwise provided in this Plan during the Restriction Period. The terms of any Restricted Stock Award granted under the Plan shall be set forth in a written Award Agreement which shall contain provisions determined by the Committee and not inconsistent with the Plan. The restrictions may lapse separately or in combination at such times, under such circumstances (including based on achievement of performance goals and/or future service requirements), in such installments or otherwise, as the Committee may determine at the date of grant or thereafter. Except to the extent restricted under the terms of the Plan and any Award Agreement relating to a Restricted Stock Award, a Participant granted Restricted Stock shall have all of the rights of a stockholder, including the right to vote the Restricted Stock and the right to receive dividends thereon (subject to any mandatory reinvestment or other requirement imposed by the Committee). During the period that the Restricted Stock Award is subject to a risk of forfeiture, subject to Section 10(b) below and except as otherwise provided in the Award Agreement, the Restricted Stock may not be sold, transferred, pledged, hypothecated, margined or otherwise encumbered by the Participant or Beneficiary.

(ii) ***Forfeiture***. Except as otherwise determined by the Committee, upon termination of a Participant's Continuous Service during the applicable Restriction Period, the Participant's Restricted Stock that is at that time subject to a risk of forfeiture that has not lapsed or otherwise been satisfied shall be forfeited and reacquired by the Company; provided that, subject to the limitations set forth in Section 6(j) hereof, the Committee may provide, by resolution or other action or in any Award Agreement, or may determine in any individual case, that forfeiture conditions relating to Restricted Stock Awards shall be waived in whole or in part in the event of terminations resulting from specified causes, and the Committee may in other cases waive in whole or in part the forfeiture of Restricted Stock.

(iii) ***Certificates for Stock***. Restricted Stock granted under the Plan may be evidenced in such manner as the Committee shall determine. If certificates representing Restricted Stock are registered in the name of the Participant, the Committee may require that such certificates bear an appropriate legend referring to the terms, conditions and restrictions applicable to such Restricted Stock, that the Company retain physical possession of the certificates, and that the Participant deliver a stock power to the Company, endorsed in blank, relating to the Restricted Stock.

(iv) ***Dividends and Splits***. As a condition to the grant of a Restricted Stock Award, the Committee shall require that any cash dividends paid on a Share of Restricted Stock be delayed (with or without interest at such rate, if any, as the Committee shall determine) and remain subject to restrictions and a risk of forfeiture to the same extent as the Restricted Stock with respect to which such cash dividend is payable, in a manner that does not violate the requirements of Section 409A of the Code or other applicable law. In addition, the Committee shall require that Shares distributed in connection with a stock split or stock dividend, and other property distributed as a dividend, shall be subject to restrictions on transfer and a risk of forfeiture and any other lawful restrictions to the same extent as the Restricted Stock with respect to which such Shares or other property have been distributed.

(e) ***Restricted Stock Unit Award***. The Committee is authorized to grant Restricted Stock Unit Awards to any Eligible Person on the following terms and conditions:

(i) ***Award and Restrictions***. Satisfaction of a Restricted Stock Unit Award shall occur upon expiration of the deferral period specified for such Restricted Stock Unit Award by the Committee (or, if permitted by the Committee, as elected by the Participant in a manner that does not violate the requirements of Section 409A of the Code). In addition, a Restricted Stock Unit Award shall be subject to such restrictions (which may include a risk of forfeiture) as the Committee may impose, if any, which restrictions may lapse at the expiration of the deferral period or at earlier specified times (including based on achievement of performance goals and/or future service requirements), separately or in combination, in installments or otherwise, as the Committee may determine. A Restricted Stock Unit Award may be satisfied by delivery of Shares, cash equal to the Fair Market Value of the specified number of Shares covered by the Restricted Stock Units, or a combination thereof, as determined by the Committee at the date of grant or thereafter. Prior to satisfaction of a Restricted Stock Unit Award, a Restricted Stock Unit Award carries no voting or dividend or other rights associated with Share ownership. Prior to satisfaction of a Restricted Stock Unit Award, except as otherwise provided in an Award Agreement and as permitted under Section 409A of the Code, a Restricted Stock Unit Award may not be sold, transferred, pledged, hypothecated, margined or otherwise encumbered by the Participant or any Beneficiary.

(ii) ***Forfeiture***. Except as otherwise determined by the Committee, upon termination of a Participant's Continuous Service during the applicable deferral period or portion thereof to which forfeiture conditions apply (as provided in the Award Agreement evidencing the Restricted Stock Unit Award), the Participant's Restricted Stock Unit Award that is at that time subject to a risk of forfeiture that has not lapsed or otherwise been satisfied shall be forfeited; provided that, subject to the limitations set forth in Section 6(j)(ii) hereof, the Committee may provide, by resolution or other action or in any Award Agreement, or may determine in any individual case, that forfeiture conditions relating to a Restricted Stock Unit Award shall be waived in whole or in part in the event of terminations resulting from specified causes, and the Committee may in other cases waive in whole or in part the forfeiture of any Restricted Stock Unit Award.

(iii) ***Dividend Equivalents***. As a condition to the grant of a Restricted Stock Unit, the Committee shall require that any cash dividends paid on a Share attributable to such Restricted Stock Unit be delayed (with or without interest at such rate, if any, as the Committee shall determine) and remain subject to restrictions on transfer and a risk of forfeiture to the same extent as the Restricted Stock Unit with respect to which such cash dividend is payable, in a manner that does not violate the requirements of Section 409A of the Code or other applicable law. In addition, the Committee shall require that Shares distributed in connection with a stock split or stock dividend, and other property distributed as a dividend, shall be subject to restrictions on transfer and a risk of forfeiture to the same extent as the Restricted Stock Unit with respect to which such Shares or other property have been distributed.

(f) ***Bonus Stock and Awards in Lieu of Obligations***. The Committee is authorized to grant Shares to any Eligible Persons as a bonus, or to grant Shares or other Awards in lieu of obligations to pay cash or deliver other property under the Plan or under other plans or compensatory arrangements, provided that, in the case of Eligible Persons subject to Section 16 of the Exchange Act, the amount of such grants remains within the discretion of the Committee to the extent necessary to ensure that acquisitions of Shares or other Awards are exempt from liability under Section 16(b) of the Exchange Act. Shares or Awards granted hereunder shall be subject to such other terms as shall be determined by the Committee.

(g) ***Dividend Equivalents***. Subject to the requirements of applicable law, the Committee is authorized to grant Dividend Equivalents to any Eligible Person entitling the Eligible Person to receive cash, Shares, other Awards, or other property equal in value to the dividends paid with respect to a specified number of Shares, or other periodic payments. Dividend Equivalents may be awarded on a free-standing basis or in connection with another Award other than Options and SARs. Subject to the requirements of applicable law, the Committee may provide that Dividend Equivalents shall be paid or distributed when accrued or at some later date, or whether such Dividend Equivalents shall be deemed to have been reinvested in additional Shares, Awards, or other investment vehicles, and subject to such lawful restrictions on transferability and risks of forfeiture, as the Committee may specify; provided, that in no event shall such Dividend Equivalents be paid out to Participants prior to vesting of the corresponding Shares underlying the Award. Any such determination by the Committee shall be made at the grant date of the applicable Award. Notwithstanding the foregoing, Dividend Equivalents credited in connection with an Award that vests based on the achievement of performance goals shall be subject to restrictions on transfer and risk of forfeiture to the same extent as the Award with respect to which such Dividend Equivalents have been credited.

(h) ***Performance Awards***. The Committee is authorized to grant Performance Awards to any Eligible Person payable in cash, Shares, or other Awards, on terms and conditions established by the Committee, subject to the provisions of Section 8 if and to the extent that the Committee shall, in its sole discretion, determine that an Award shall be subject to those provisions. The performance criteria to be achieved during any Performance Period and the length of the Performance Period shall be determined by the Committee upon the grant of each Performance Award. Except as provided in Section 9 or as may be provided in an Award Agreement, Performance Awards will be distributed only after the end of the relevant Performance Period. The performance goals to be achieved for each Performance Period shall be conclusively determined by the Committee and may be based upon the criteria set forth in Section 8(b), or in the case of an Award that the Committee determines shall not be subject to Section 8 hereof, any other criteria that the Committee, in its sole discretion, shall determine should be used for that purpose. The amount of the Award to be distributed shall be conclusively determined by the Committee. Performance Awards may be paid in a lump sum or in installments following the close of the Performance Period or, in accordance with procedures established by the Committee, on a deferred basis in a manner that does not violate the requirements of Section 409A of the Code.

(i) ***Other Stock-Based Awards***. The Committee is authorized, subject to limitations under applicable law, to grant to any Eligible Person such other Awards that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, Shares, as deemed by the Committee to be consistent with the purposes of the Plan. Other Stock-Based Awards may be granted to Participants either alone or in addition to other Awards granted under the Plan, and such Other Stock-Based Awards shall also be available as a form of payment in the settlement of other Awards granted under the Plan. Except as otherwise provided in the last sentence of Section 6(h) hereof, the Committee shall determine the terms and conditions of such Awards. Shares delivered pursuant to an Award in the nature of a purchase right granted under this Section 6(i) shall be purchased for such consideration, (including without limitation loans from the Company or a Related Entity provided that such loans are not in violation of Section 13(k) of the Exchange Act or any rule or regulation adopted thereunder or any other applicable law) paid for at such times, by such methods, and in such forms, including, without limitation, cash, Shares, other Awards or other property, as the Committee shall determine.

(j) ***Certain Vesting Requirements and Limitations on Waiver of Forfeiture Restrictions.*** Except for certain limited situations (including death, disability, retirement, a Change in Control referred to in Section 9, grants to new hires to replace forfeited compensation, grants representing payment of earned Performance Awards or other incentive compensation, Substitute Awards or grants to Directors), (i) Restricted Stock Awards, Restricted Stock Unit Awards and Other Stock-Based Awards shall vest over a period of not less than one year, and (ii) the Committee shall not waive the one (1) year vesting requirement set forth in subsection (i) hereof. The limitations set forth in this Section 6(j) shall not apply with respect to up to 139,751 Shares (subject to adjustment as provided in Section 10(c) hereof) with respect to which Awards have been made by Independent Directors.

7. ***Certain Provisions Applicable to Awards*.**

(a) ***Stand-Alone, Additional, Tandem, and Substitute Awards***. Awards granted under the Plan may, in the discretion of the Committee, be granted either alone or in addition to, in tandem with, or in substitution or exchange for, any other Award or any award granted under another plan of the Company, any Related Entity, or any business entity to be acquired by the Company or a Related Entity, or any other right of a Participant to receive payment from the Company or any Related Entity. Such additional, tandem, and substitute or exchange Awards may be granted at any time. If an Award is granted in substitution or exchange for another Award or award, the Committee shall require the surrender of such other Award or award in consideration for the grant of the new Award. In addition, Awards may be granted in lieu of cash compensation, including in lieu of cash amounts payable under other plans of the Company or any Related Entity, in which the value of Shares subject to the Award is equivalent in value to the cash compensation (for example, Restricted Stock or Restricted Stock Units), or in which the exercise price, grant price or purchase price of the Award in the nature of a right that may be exercised is equal to the Fair Market Value of the underlying Shares minus the value of the cash compensation surrendered (for example, Options or Stock Appreciation Right granted with an exercise price or grant price "discounted" by the amount of the cash compensation surrendered), provided that any such determination to grant an Award in lieu of cash compensation must be made in a manner intended to be exempt from or comply with Section 409A of the Code.

(b) ***Term of Awards***. The term of each Award shall be for such period as may be determined by the Committee; provided that in no event shall the term of any Option or Stock Appreciation Right exceed a period of ten years (or in the case of an Incentive Stock Option such shorter term as may be required under Section 422 of the Code); provided, however, that in the event that on the last day of the term of an Option or a Stock Appreciation Right, other than an Incentive Stock Option, (i) the exercise of the Option or Stock Appreciation Right is prohibited by applicable law, or (ii) Shares may not be purchased, or sold by certain employees or directors of the Company due to the "black-out period" of a Company policy or a "lock-up" agreement undertaken in connection with an issuance of securities by the Company, the term of the Option or Stock Appreciation Right may be extended by the Committee for a period of up to thirty (30) days following the end of the legal prohibition, black-out period or lock-up agreement, provided that such extension of the term of the Option or Stock Appreciation Right would not cause the Option or Stock Appreciation Right to violate the requirements of Section 409A of the Code.

(c) ***Form and Timing of Payment Under Awards; Deferrals***. Subject to the terms of the Plan and any applicable Award Agreement, payments to be made by the Company or a Related Entity upon the exercise of an Option or other Award or settlement of an Award may be made in such forms as the Committee shall determine, including, without limitation, cash, Shares, other Awards or other property, and may be made in a single payment or transfer, in installments, or on a deferred basis, provided that any determination to pay in installments or on a deferred basis shall be made by the Committee at the date of grant. Any installment or deferral provided for in the preceding sentence shall, however, subject to the terms of the Plan, be subject to the Company's compliance with the provisions of the Sarbanes-Oxley Act of 2002, as amended, the rules and regulations adopted by the Securities and Exchange Commission thereunder, all applicable rules of the Listing Market and any other applicable law, and in a manner intended to be exempt from or otherwise satisfy the requirements of Section 409A of the Code. Subject to Section 7(e) of this Plan, the settlement of any Award may be accelerated, and cash paid in lieu of Shares in connection with such settlement, in the sole discretion of the Committee or upon occurrence of one or more specified events (in addition to a Change in

Control). Any such settlement shall be at a value determined by the Committee in its sole discretion, which, without limitation, may in the case of an Option or Stock Appreciation Right be limited to the amount if any by which the Fair Market Value of a Share on the settlement date exceeds the exercise or grant price. Installment or deferred payments may be required by the Committee (subject to Section 7(e) of this Plan, including the consent provisions thereof in the case of any deferral of an outstanding Award not provided for in the original Award Agreement) or permitted at the election of the Participant on terms and conditions established by the Committee. The acceleration of the settlement of any Award, and the payment of any Award in installments or on an deferred basis, all shall be done in a manner that is intended to be exempt from or otherwise satisfy the requirements of Section 409A of the Code. The Committee may, without limitation, make provision for the payment or crediting of a reasonable interest rate on installment or deferred payments or the grant or crediting of Dividend Equivalents or other amounts in respect of installment or deferred payments denominated in Shares.

(d) ***Exemptions from Section 16(b) Liability.*** It is the intent of the Company that the grant of any Awards to or other transaction by a Participant who is subject to Section 16 of the Exchange Act shall be exempt from Section 16 of the Exchange Act pursuant to an applicable exemption (except for transactions acknowledged in writing to be non-exempt by such Participant). Accordingly, if any provision of this Plan or any Award Agreement does not comply with the requirements of Rule 16b-3 then applicable to any such transaction, such provision shall be construed or deemed amended to the extent necessary to conform to the applicable requirements of Rule 16b-3 so that such Participant shall avoid liability under Section 16(b) of the Exchange Act.

(e) ***Code Section 409A***.

(i) The Award Agreement for any Award that the Committee reasonably determines to constitute a "nonqualified deferred compensation plan" under Section 409A of the Code (a "***Section 409A Plan***"), and the provisions of the Section 409A Plan applicable to that Award, shall be construed in a manner consistent with the applicable requirements of Section 409A of the Code, and the Committee, in its sole discretion and without the consent of any Participant, may amend any Award Agreement (and the provisions of the Plan applicable thereto) if and to the extent that the Committee determines that such amendment is necessary or appropriate to comply with the requirements of Section 409A of the Code.

(ii) If any Award constitutes a Section 409A Plan, then the Award shall be subject to the following additional requirements, if and to the extent required to comply with Section 409A of the Code:

(A)Payments under the Section 409A Plan may be made only upon (u) the Participant's "separation from service", (v) the date the Participant becomes "disabled", (w) the Participant's death, (x) a "specified time (or pursuant to a fixed schedule)" specified in the Award Agreement at the date of the deferral of such compensation, (y) a "change in the ownership or effective control of the corporation, or in the ownership of a substantial portion of the assets" of the Company, or (z) the occurrence of an "unforeseeble emergency";

(B)The time or schedule for any payment of the deferred compensation may not be accelerated, except to the extent provided in applicable Treasury Regulations or other applicable guidance issued by the Internal Revenue Service;

(C) Any elections with respect to the deferral of such compensation or the time and form of distribution of such deferred compensation shall comply with the requirements of Section 409A(a)(4) of the Code; and

(D) In the case of any Participant who is "specified employee", a distribution on account of a "separation from service" may not be made before the date which is six months after the date of the Participant's "separation from service" (or, if earlier, the date of the Participant's death).

For purposes of the foregoing, the terms in quotations shall have the same meanings as those terms have for purposes of Section 409A of the Code, and the limitations set forth herein shall be applied in such manner (and only to the extent) as shall be necessary to comply with any requirements of Section 409A of the Code that are applicable to the Award.

(iii) Notwithstanding the foregoing, or any provision of this Plan or any Award Agreement, the Company does not make any representation to any Participant or Beneficiary that any Awards made pursuant to this Plan are exempt from, or satisfy, the requirements of, Section 409A of the Code, and the Company shall have no liability or other obligation to indemnify or hold harmless the Participant or any Beneficiary for any tax, additional tax, interest or penalties that the Participant or any Beneficiary may incur in the event that any provision of this Plan, or any Award Agreement, or any amendment or modification thereof, or any other action taken with respect thereto, is deemed to violate any of the requirements of Section 409A of the Code.

8. ***Reserved.***

9. ***Change in Control.***

(a) ***Effect of "Change in Control."*** Upon the occurrence of a "Change in Control," as defined in Section 9(b), any restrictions, deferral of settlement, and forfeiture conditions applicable to an Award shall not lapse, and any performance goals and conditions applicable to an Award shall not be deemed to have been met, as of the time of the Change in Control, unless either (i) the Company is the surviving entity in the Change in Control and the Award does not continue to be outstanding after the Change in Control on substantially the same terms and conditions as were applicable immediately prior to the Change in Control, or (ii) the successor company does not assume or substitute for the applicable Award, as determined in accordance with Section 10(c)(ii) hereof. Upon the occurrence of a "Change in Control," as defined in Section 9(b), if either (i) the Company is the surviving entity in the Change in Control and the Award does not continue to be outstanding after the Change in Control on substantially the same terms and conditions as were applicable immediately prior to the Change in Control, or (ii) the successor company does not assume or substitute for the applicable Award, as determined in accordance with Section 10(c)(ii) hereof, the applicable Award Agreement may provide that any restrictions, deferral of settlement, and forfeiture conditions applicable to an Award shall

lapse, and any performance goals and conditions applicable to an Award shall be deemed to have been met, as of the time of the Change in Control. If the Award continues to be outstanding after the Change in Control on substantially the same terms and conditions as were applicable immediately prior to the Change in Control, or the successor company assumes or substitutes for the applicable Award, as determined in accordance with Section 10(c)(ii) hereof, the applicable Award Agreement may provide that with respect to each Award held by such Participant at the time of the Change in Control, in the event a Participant's Continuous Service is terminated without Cause by the Company or any Related Entity or by such successor company or by the Participant for Good Reason within twenty-four (24) months following such Change in Control, any restrictions, deferral of settlement, and forfeiture conditions applicable to each such Award shall lapse, and any performance goals and conditions applicable to each such Award shall be deemed to have been met, as of the date on which the Participant's Continuous Service is terminated.

(b) ***Definition of "Change in Control"***. Unless otherwise specified in any employment, consulting, severance agreement or plan covering the Participant, or other agreement for the performance of services between the Participant and the Company or any Related Entity, or in an Award Agreement, a "***Change in Control***" shall mean the occurrence of any of the following:

(i) during any period of 24 consecutive calendar months, individuals who were directors of the Company on the first day of such period (the "***Incumbent Directors***") cease for any reason to constitute a majority of the Board; provided, however, that any individual becoming a director subsequent to the first day of such period whose election, or nomination for election, by the Company's stockholders was approved by a vote of at least a majority of the Incumbent Directors shall be deemed to be an Incumbent Director, but excluding, for purposes of this proviso, any such individual whose initial assumption of office occurs as a result of an actual or threatened proxy contest with respect to election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person; or

(ii) the consummation of a reorganization, merger, statutory share exchange, consolidation or similar form of corporate transaction involving (x) the Company or (y) any of its Subsidiaries (but in the case of this clause (y) only if Company Voting Securities (as defined below) are issued or issuable) or the sale or other disposition of all or substantially all the assets of the Company to an entity that is not an Affiliate (each of the foregoing events being hereinafter referred to as a "***Reorganization***"), in each case, unless, immediately following such Reorganization, all or substantially all the Persons who were the Beneficial Owners of the securities eligible to vote for the election of the Board ("***Company Voting Securities***") outstanding immediately prior to the consummation of such Reorganization continue to beneficially own, directly or indirectly, as a result of beneficially owning such Company Voting Securities, more than 50% of the combined voting power of the then outstanding voting securities of the corporation or other entity resulting from such Reorganization in substantially the same proportions as their ownership, immediately prior to the consummation of such Reorganization, of the outstanding Company Voting Securities; or

(iii) any Person or "group" (as used in Section 13(d) of the Exchange Act) becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 30% or more of the combined voting power of the Company Voting Securities; provided, however, that for purposes of this subparagraph (iii), any acquisition pursuant to a Reorganization that does not constitute a Change in Control for purposes of subparagraph (ii) above shall not be a Change in Control.

10. ***General Provisions*.**

(a) ***Compliance With Legal and Other Requirements***. The Company may, to the extent deemed necessary or advisable by the Committee, postpone the issuance or delivery of Shares or payment of other benefits under any Award until completion of such registration or qualification of such Shares or other required action under any federal or state law, rule or regulation, listing or other required action with respect to the Listing Market, or compliance with any other obligation of the Company, as the Committee, may consider appropriate, and may require any Participant to make such representations, furnish such information and comply with or be subject to such other conditions as it may consider appropriate in connection with the issuance or delivery of Shares or payment of other benefits in compliance with applicable laws, rules, and regulations, listing requirements, or other obligations.

(b) ***Limits on Transferability; Beneficiaries***. No Award or other right or interest granted under the Plan shall be pledged, hypothecated or otherwise encumbered or subject to any lien, obligation or liability of such Participant to any party, or assigned or transferred by such Participant otherwise than by will or the laws of descent and distribution or to a Beneficiary upon the death of a Participant, and such Awards or rights that may be exercisable shall be exercised during the lifetime of the Participant only by the Participant or his or her guardian or legal representative, except that Awards and other rights (other than Incentive Stock Options and Stock Appreciation Rights in tandem therewith) may be transferred to one or more Beneficiaries or other transferees during the lifetime of the Participant, and may be exercised by such transferees in accordance with the terms of such Award, but only if and to the extent such transfers are permitted by the Committee pursuant to the express terms of an Award Agreement (subject to any terms and conditions which the Committee may impose thereon), are by gift or pursuant to a domestic relations order, and are to a "Permitted Assignee" that is a permissible transferee under the applicable rules of the Securities and Exchange Commission for registration of securities on a Form S-8 registration statement. For this purpose, a Permitted Assignee shall mean (i) the Participant's spouse, children or grandchildren (including any adopted and step children or grandchildren), parents, grandparents or siblings, (ii) a trust for the benefit of one or more of the Participant or the persons referred to in clause (i), (iii) a partnership, limited liability company or corporation in which the Participant or the persons referred to in clauses (i) and (ii) are the only partners, members or shareholders, or (iv) a foundation in which any person or entity designated in clauses (i), (ii) or (iii) above control the management of assets. A Beneficiary, transferee, or other person claiming any rights under the Plan from or through any Participant shall be subject to all terms and conditions of the Plan and any Award Agreement applicable to such Participant, except as otherwise determined by the Committee, and to any additional terms and conditions deemed necessary or appropriate by the Committee.

(c) ***Adjustments.***

(i) ***Adjustments to Awards***. In the event that any extraordinary dividend or other distribution (whether in the form of cash, Shares, or other property), recapitalization, forward or reverse split, reorganization, merger, consolidation, spin-off, combination, repurchase, share exchange, liquidation, dissolution or other similar corporate transaction or event affects the Shares and/or such other securities of the Company or any other issuer, then the Committee shall, in such manner as it may deem appropriate and equitable, substitute, exchange or adjust any or all of (A) the number and kind of Shares which may be delivered in connection with Awards granted thereafter, (B) the number and kind of Shares by which annual per-person Award limitations are measured under Section 4 hereof, (C) the number and kind of Shares subject to or deliverable in respect of outstanding Awards, (D) the exercise price, grant price or purchase price relating to any Award and/or make provision for payment of cash or other property in respect of any outstanding Award, and (E) any other aspect of any Award that the Committee determines to be appropriate in order to prevent the reduction or enlargement of benefits under any Award.

(ii) ***Adjustments in Case of Certain Transactions***. In the event of any merger, consolidation or other reorganization in which the Company does not survive, or in the event of any Change in Control (and subject to the provisions of Section 9 of this Plan relating to the vesting of Awards in the event of any Change in Control), any outstanding Awards may be dealt with in accordance with any of the following approaches, without the requirement of obtaining any consent or agreement of a Participant as such, as determined by the agreement effectuating the transaction or, if and to the extent not so determined, as determined by the Committee: (A) the continuation of the outstanding Awards by the Company, if the Company is a surviving entity, (B) the assumption or substitution for, as those terms are defined below, the outstanding Awards by the surviving entity or its parent or subsidiary, (C) full exercisability or vesting and accelerated expiration of the outstanding Awards, or (D) settlement of the value of the outstanding Awards in cash or cash equivalents or other property followed by cancellation of such Awards (which value, in the case of Options or Stock Appreciation Rights, shall be measured by the amount, if any, by which the Fair Market Value of a Share exceeds the exercise or grant price of the Option or Stock Appreciation Right as of the effective date of the transaction). For the purposes of this Plan, an Option, Stock Appreciation Right, Restricted Stock Award, Restricted Stock Unit Award, Performance Award or Other Stock-Based Award shall be considered assumed or substituted for if following the applicable transaction the Award confers the right to purchase or receive, for each Share subject to the Option, Stock Appreciation Right, Restricted Stock Award, Restricted Stock Unit Award, Performance Award or Other Stock-Based Award immediately prior to the applicable transaction, on substantially the same vesting and other terms and conditions as were applicable to the Award immediately prior to the applicable transaction, the consideration (whether stock, cash or other securities or property) received in the applicable transaction by holders of Shares for each Share held on the effective date of such transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in the applicable transaction is not solely common stock of the successor company or its parent or subsidiary, the Committee may, with the consent of the successor company or its parent or subsidiary, provide that the consideration to be received upon the exercise or vesting of an Option, Stock Appreciation Right, Restricted Stock Award,

Restricted Stock Unit Award, Performance Award or Other Stock-Based Award, for each Share subject thereto, will be solely common stock of the successor company or its parent or subsidiary substantially equal in fair market value to the per share consideration received by holders of Shares in the applicable transaction. The determination of such substantial equality of value of consideration shall be made by the Committee in its sole discretion and its determination shall be conclusive and binding. The Committee shall give written notice of any proposed transaction referred to in this Section 10(c)(ii) a reasonable period of time prior to the closing date for such transaction (which notice may be given either before or after the approval of such transaction), in order that Participants may have a reasonable period of time prior to the closing date of such transaction within which to exercise any Awards that are then exercisable (including any Awards that may become exercisable upon the closing date of such transaction). A Participant may condition his or her exercise of any Awards upon the consummation of the transaction.

(iii) ***Other Adjustments***. The Committee (and the Board if and only to the extent such authority is not required to be exercised by the Committee to comply with Section 162(m) of the Code) is authorized to make adjustments in the terms and conditions of, and the criteria included in, Awards (including Awards subject to satisfaction of performance goals, or performance goals and conditions relating thereto) in recognition of unusual or nonrecurring events (including, without limitation, acquisitions and dispositions of businesses and assets) affecting the Company, any Related Entity or any business unit, or the financial statements of the Company or any Related Entity, or in response to changes in applicable laws, regulations, accounting principles, tax rates and regulations or business conditions or in view of the Committee's assessment of the business strategy of the Company, any Related Entity or business unit thereof, performance of comparable organizations, economic and business conditions, personal performance of a Participant, and any other circumstances deemed relevant.

(d) ***Award Agreements.*** Each Award Agreement shall either be (a) in writing in a form approved by the Committee and executed by the Company by an officer duly authorized to act on its behalf, or (b) an electronic notice in a form approved by the Committee and recorded by the Company (or its designee) in an electronic recordkeeping system used for the purpose of tracking one or more types of Awards as the Committee may provide; in each case and if required by the Committee, the Award Agreement shall be executed or otherwise electronically accepted by the recipient of the Award in such form and manner as the Committee may require. The Committee may authorize any officer of the Company to execute any or all Award Agreements on behalf of the Company. The Award Agreement shall set forth the material terms and conditions of the Award as established by the Committee consistent with the provisions of the Plan.

(e) ***Taxes***. The Company and any Related Entity are authorized to withhold from any Award granted, any payment relating to an Award under the Plan, including from a distribution of Shares, or any payroll or other payment to a Participant, amounts of withholding and other taxes due or potentially payable in connection with any transaction involving an Award, and to take such other action as the Committee may deem advisable to enable the Company or any Related Entity and Participants to satisfy obligations for the payment of withholding taxes and other tax obligations relating to any Award. This authority shall include authority to withhold or receive Shares or other property and to make cash payments in respect thereof in satisfaction of a Participant's tax obligations, either on a mandatory or elective basis in the discretion of the Committee. The amount of withholding tax paid with respect to an Award by the withholding of Shares otherwise deliverable pursuant to the Award or by delivering Shares already owned shall not exceed the maximum statutory withholding required with respect to that Award (or such other limit as the Committee shall impose, including without limitation, any limit imposed to avoid or limit any financial accounting expense relating to the Award).

(f) ***Changes to the Plan and Awards***. The Board may amend, alter, suspend, discontinue or terminate the Plan, or the Committee's authority to grant Awards under the Plan, without the consent of shareholders or Participants, except that any amendment or alteration to the Plan shall be subject to the approval of the Company's shareholders not later than the annual meeting next following such Board action if such shareholder approval is required by any federal or state law or regulation (including, without limitation, Rule 16b-3) or the rules of the Listing Market, and the Board may otherwise, in its discretion, determine to submit other such changes to the Plan to shareholders for approval; provided that, except as otherwise permitted by the Plan or Award Agreement, without the consent of an affected Participant, no such Board action may materially and adversely affect the rights of such Participant under the terms of any previously granted and outstanding Award. The Committee may waive any conditions or rights under, or amend, alter, suspend, discontinue or terminate any Award theretofore granted and any Award Agreement relating thereto, except as otherwise provided in the Plan; provided that, except as otherwise permitted by the Plan or Award Agreement, without the consent of an affected Participant, no such Committee or the Board action may materially and adversely affect the rights of such Participant under terms of such Award.

(g) ***Clawback of Benefits***.

(i) The Company may (A) cause the cancellation of any Award, (B) require reimbursement of any Award by a Participant or Beneficiary, and (C) effect any other right of recoupment of equity or other compensation provided under this Plan or otherwise in accordance with any Company policies that currently exist or that may from time to time be adopted or modified in the future by the Company and/or applicable law (each, a "Clawback Policy"). In addition, a Participant may be required to repay to the Company certain previously paid compensation, whether provided under this Plan or an Award Agreement or otherwise, in accordance with any Clawback Policy. By accepting an Award, a Participant is also agreeing to be bound by any existing or future Clawback Policy adopted by the Company, or any amendments that may from time to time be made to the Clawback Policy in the future by the Company in its discretion (including without limitation any Clawback Policy adopted or amended to comply with applicable laws or stock exchange requirements) and is further agreeing that all of the Participant's Award Agreements may be unilaterally amended by the Company, without the Participant's consent, to the extent that the Company in its discretion determines to be necessary or appropriate to comply with any Clawback Policy.

(ii) If the Participant, without the consent of the Company, while employed by or providing services to the Company or any Related Entity or after termination of such employment or service, violates a non-competition, non-solicitation or non-disclosure covenant or agreement or otherwise engages in activity that is in conflict with or adverse to the interest of the Company or any Related Entity, as determined by the Committee in its sole discretion, then (i) any outstanding, vested or unvested, earned or unearned portion of the Award may, at the Committee's discretion, be canceled and (ii) the Committee, in its discretion, may require the Participant or other person to whom any payment has been made or Shares or other property have been transferred in connection with the Award to forfeit and pay over to the Company, on demand, all or any portion of the gain (whether or not taxable) realized upon the exercise of any Option or Stock Appreciation Right and the value realized (whether or not taxable) on the vesting or payment of any other Award during the time period specified in the Award Agreement or otherwise specified by the Committee

(h) ***Limitation on Rights Conferred Under Plan***. Neither the Plan nor any action taken hereunder or under any Award shall be construed as (i) giving any Eligible Person or Participant the right to continue as an Eligible Person or Participant or in the employ or service of the Company or a Related Entity; (ii) interfering in any way with the right of the Company or a Related Entity to terminate any Eligible Person's or Participant's Continuous Service at any time, (iii) giving an Eligible Person or Participant any claim to be granted any Award under the Plan or to be treated uniformly with other Participants and Employees, or (iv) conferring on a Participant any of the rights of a shareholder of the Company or any Related Entity including, without limitation, any right to receive dividends or distributions, any right to vote or act by written consent, any right to attend meetings of shareholders or any right to receive any information concerning the Company's or any Related Entity's business, financial condition, results of operation or prospects, unless and until such time as the Participant is duly issued Shares on the stock books of the Company or any Related Entity in accordance with the terms of an Award. None of the Company, its officers or its directors shall have any fiduciary obligation to the Participant with respect to any Awards unless and until the Participant is duly issued Shares pursuant to the Award on the stock books of the Company in accordance with the terms of an Award. Neither the Company, nor any Related Entity, nor any of their respective officers, directors, representatives or agents is granting any rights under the Plan to the Participant whatsoever, oral or written, express or implied, other than those rights expressly set forth in this Plan or the Award Agreement.

(i) ***Unfunded Status of Awards; Creation of Trusts***. The Plan is intended to constitute an "unfunded" plan for incentive and deferred compensation. With respect to any payments not yet made to a Participant or obligation to deliver Shares pursuant to an Award, nothing contained in the Plan or any Award Agreement shall give any such Participant any rights that are greater than those of a general creditor of the Company or Related Entity that issues the Award; provided that the Committee may authorize the creation of trusts and deposit therein cash, Shares, other Awards or other property, or make other arrangements to meet the obligations of the Company or Related Entity under the Plan. Such trusts or other arrangements shall be consistent with the "unfunded" status of the Plan unless the Committee otherwise determines with the consent of each affected Participant. The trustee of such trusts may be authorized to dispose of trust assets and reinvest the proceeds in alternative investments, subject to such terms and conditions as the Committee may specify and in accordance with applicable law.

(j) ***Nonexclusivity of the Plan***. Neither the adoption of the Plan by the Board nor its submission to the stockholders of the Company for approval shall be construed as creating any limitations on the power of the Board or a committee thereof to adopt such other incentive arrangements as it may deem desirable.

(k) ***Payments in the Event of Forfeitures; Fractional Shares***. Unless otherwise determined by the Committee, in the event of a forfeiture of an Award with respect to which a Participant paid cash or other consideration, the Participant shall be repaid the amount of such cash or other consideration. No fractional Shares shall be issued or delivered pursuant to the Plan or any Award. The Committee shall determine whether cash, other Awards or other property shall be issued or paid in lieu of such fractional shares or whether such fractional shares or any rights thereto shall be forfeited or otherwise eliminated.

(l) ***Governing Law***. Except as otherwise provided in any Award Agreement, the validity, construction and effect of the Plan, any rules and regulations under the Plan, and any Award Agreement shall be determined in accordance with the laws of the State of Delaware without giving effect to principles of conflict of laws, and applicable federal law.

(m) ***Non-U.S. Laws***. The Committee shall have the authority to adopt such modifications, procedures, and subplans as may be necessary or desirable to comply with provisions of the laws of foreign countries in which the Company or its Related Entities may operate to assure the viability of the benefits from Awards granted to Participants performing services in such countries and to meet the objectives of the Plan.

(n) ***Plan Effective Date and Shareholder Approval; Termination of Plan***. The Plan shall become effective on the Effective Date, subject to subsequent approval, within 12 months of its adoption by the Board, by shareholders of the Company eligible to vote in the election of directors, by a vote sufficient to meet the requirements of Code Section 422, Rule 16b-3 under the Exchange Act (if applicable), applicable requirements under the rules of any stock exchange or automated quotation system on which the Shares may be listed or quoted, and other laws, regulations, and obligations of the Company applicable to the Plan. Awards may be granted subject to shareholder approval, but may not be exercised or otherwise settled in the event the shareholder approval is not obtained. The Plan shall terminate at the earliest of (a) such time as no Shares remain available for issuance under the Plan, (b) termination of this Plan by the Board, or (c) the tenth anniversary of the last Shareholder Approval Date. Awards outstanding upon expiration of the Plan shall remain in effect until they have been exercised or terminated, or have expired.

(n) ***Construction and Interpretation.*** Whenever used herein, nouns in the singular shall include the plural, and the masculine pronoun shall include the feminine gender. Headings of Articles and Sections hereof are inserted for convenience and reference and constitute no part of the Plan.

(o) ***Severability***. If any provision of the Plan or any Award Agreement shall be determined to be illegal or unenforceable by any court of law in any jurisdiction, the remaining provisions hereof and thereof shall be severable and enforceable in accordance with their terms, and all provisions shall remain enforceable in any other jurisdiction.

FORM OF

AMERICAN OUTDOOR BRANDS, INC.
2020 INCENTIVE COMPENSATION PLAN
NON-QUALIFIED STOCK OPTION AWARD GRANT NOTICE AND AGREEMENT

I. NON-QUALIFIED STOCK OPTION AWARD GRANT NOTICE

American Outdoor Brands, Inc. (the "Company"), pursuant to its 2020 Incentive Compensation Plan (as may be amended, the "Plan"), hereby grants to the Optionee named below an option to purchase a number of shares of the Company's Common Stock set forth below. This Non-Qualified Stock Option Award Grant Notice and Agreement (the "Agreement") is subject to all of the terms and conditions as set forth herein and in the Plan, which are agreed to by the Optionee and incorporated herein in their entirety. All capitalized terms in this Agreement shall have the meaning assigned to them in this Agreement or, if such term is not defined in this Agreement, such term shall have the meaning assigned to it under the Plan.

Optionee: _____

Address: _____

Date of Grant: _____

Total Number of Shares: _____

Exercise Price Per Share: _____

The Optionee has received a copy of the Company's most recent prospectus describing the Plan and a complete copy of the Plan document. The Optionee has reviewed the Plan and this Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Agreement, and fully understands all provisions of the Option granted by this Agreement.

AMERICAN OUTDOOR BRANDS, INC.	**OPTIONEE:**
By: _____	
Name: _____	_____
Title: _____	_____
Effective as of: _____	Effective as of: _____

II. NON-QUALIFIED STOCK OPTION AGREEMENT

1. Grant of Option. The Company hereby grants, as of the Date of Grant set forth in the above Non-Qualified Stock Option Award Grant Notice (the "Notice of Grant"), to the Optionee named in the Notice of Grant, an option (the "Option") to purchase up to the number of shares of the Company's Common Stock, $0.001 par value per share, set forth in the Notice of Grant (the "Shares"), at the exercise price per share set forth in the Notice of Grant. The Option shall be subject to the terms and conditions set forth herein and in the Plan, under which this Option was granted. The Option is a nonqualified stock option, and not an Incentive Stock Option. The Optionee hereby acknowledges receipt of a copy of the Plan and agrees to be bound by all of the terms and conditions hereof and thereof and all applicable laws and regulations.

2. Definitions. Unless otherwise provided herein, terms used herein that are defined in the Plan and not defined herein shall have the meanings attributed to them under the Plan.

3. Vesting Schedule. Except as otherwise provided in Sections 6 or 9 of this Agreement, or in the Plan, the Option shall vest in the installments as provided below, which shall be cumulative. To the extent that the Option has become vested with respect to a percentage of Shares as provided below, the Option may thereafter be exercised by the Optionee, in whole or in part, at any time or from time to time prior to the expiration of the Option as provided herein for such vested Shares. The following table indicates each date (the "Vesting Date") upon which the Optionee shall be vested and thereby entitled to exercise the Option with respect to the percentage of Shares granted as indicated beside the date, provided that the Continuous Service of the Optionee continues through and on the applicable Vesting Date:

Percentage of Shares	Vesting Date
_____%	The _____ anniversary of the Date of Grant, such that the Option shall be fully vested, with respect to all Shares subject to this grant, on the _____ anniversary of the Date of Grant.

Except as otherwise specifically provided herein, there shall be no proportionate or partial vesting in the periods prior to each Vesting Date, and all vesting shall occur only on the appropriate Vesting Date. Upon the termination of the Optionee's Continuous Service with the Company and its Related Entities, any unvested portion of the Option shall terminate and be null and void.

4. Method of Exercise. The vested portion of this Option shall be exercisable in whole or in part in accordance with the vesting schedule set forth in Section 3 hereof by written notice which shall state the election to exercise the Option, the number of vested Shares in respect of which the Option is being exercised, and such other representations and agreements as to the holder's investment intent with respect to such Shares as may be required by the Company pursuant to the provisions of the Plan. Such written notice shall be signed by the Optionee and shall be delivered in person or by certified mail to the Secretary of the Company. The written notice shall be accompanied by payment of the exercise price. This

Option shall be deemed to be exercised after both (a) receipt by the Company of such written notice accompanied by the exercise price and (b) arrangements that are satisfactory to the Committee or the Board in its sole discretion have been made for the Optionee's payment to the Company of the amount that is necessary to be withheld in accordance with applicable federal or state withholding requirements. No Shares will be issued pursuant to the Option unless and until such issuance and such exercise shall comply with all relevant provisions of applicable law, including the requirements of any stock exchange upon which the Shares then may be traded.

5. Method of Payment. Payment of the exercise price is due in full upon exercise of all or any part of the Option. The Optionee may elect to make payment of the exercise price in one or more of the following ways:

(a) Cash or by check.

(b) In the Company's sole discretion at the time the Option is exercised and provided that at the time of exercise the Common Stock is publicly traded, pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board that, prior to the issuance of Common Stock, results in either the receipt of cash (or check) by the Company or the receipt of irrevocable instructions to pay the aggregate exercise price to the Company from the sales proceeds.

(c) In the Company's sole discretion at the time the Option is exercised, delivery by Optionee of a promissory note in a form satisfactory to the Company, in the amount of the aggregate exercise price of the exercised Shares together with the execution and delivery by the Optionee of a security agreement in a form satisfactory to the Company. The promissory note shall bear interest at a rate at least equal to the "applicable federal rate" prescribed under the Code and its regulations at time of purchase, and shall be secured by a pledge of the Shares purchased by the promissory note pursuant to the security agreement. At any time that the Company is incorporated in Delaware, payment of the Common Stock's "par value," as defined in the Delaware General Corporation Law, shall be made in cash and not by deferred payment. Notwithstanding the foregoing, payment by promissory note shall not be permitted to the extent such payment would violate the Sarbanes-Oxley Act of 2002.

(d) Provided that at the time of exercise the Common Stock is publicly traded, by delivery of already-owned shares of Common Stock either that Optionee has held for the period required to avoid a charge to the Company's reported earnings (generally six (6) months) or that Optionee did not acquire, directly or indirectly from the Company, that are owned free and clear of any liens, claims, encumbrances or security interests, and that are valued at Fair Market Value on the date of exercise. "Delivery" for these purposes, in the sole discretion of the Company at the time the Optionee exercises the Option, shall include delivery to the Company of Optionee's attestation of ownership of such shares of Common Stock in a form approved by the Company. Notwithstanding the foregoing, Optionee may not exercise the Option by tender to the Company of Common Stock to the extent such tender would violate the provisions of any law, regulation or agreement restricting the redemption of the Company's stock.

6. Termination of Option.

(a) Any unexercised portion of the Option shall automatically and without notice terminate and become null and void at the time of the earliest to occur of:

(i) three (3) months after the date on which the Optionee's Continuous Service is terminated other than by reason of (A) Cause, which, solely for purposes of this Agreement, shall mean the termination of the Optionee's Continuous Service by reason of the Optionee's willful misconduct or gross negligence, (B) a Disability of the Optionee as determined by a medical doctor satisfactory to the Committee or the Board, or (C) the death of the Optionee;

(ii) immediately upon the termination of the Optionee's Continuous Service for Cause;

(iii) twelve (12) months after the date on which the Optionee's Continuous Service is terminated by reason of a Disability as determined by a medical doctor satisfactory to the Committee or the Board;

(iv) twelve (12) months after the date of termination of the Optionee's Continuous Service by reason of the death of the Optionee; or

(v) the tenth (10th) anniversary of the Date of Grant.

(b) To the extent not previously exercised, (i) the Option shall terminate immediately in the event of (1) the liquidation or dissolution of the Company, or (2) any reorganization, merger, consolidation or other form of corporate transaction in which the Company does not survive or the Shares are converted into or exchanged for securities issued by another entity, unless the successor or acquiring entity, or an affiliate of such successor or acquiring entity, assumes the Option or substitutes an equivalent option or right pursuant to Section 10(c)(ii) of the Plan, and (ii) the Committee or the Board in its sole discretion may by written notice ("cancellation notice") cancel, effective upon the consummation of any corporate transaction described in Subsection 9(b)(ii) of the Plan in which the Company does survive, the Option (or portion thereof) that remains unexercised on such date. The Committee or the Board shall give written notice of any proposed transaction referred to in this Section 6(b) a reasonable period of time prior to the closing date for such transaction (which notice may be given either before or after approval of such transaction), in order that the Optionee may have a reasonable period of time prior to the closing date of such transaction within which to exercise the Option if and to the extent that it then is exercisable (including any portion of the Option that may become exercisable upon the closing date of such transaction). The Optionee may condition his exercise of the Option upon the consummation of a transaction referred to in this Section 6(b).

7. Transferability. The Option granted hereby is not transferable otherwise than by will or under the applicable laws of descent and distribution, and during the lifetime of the Optionee the Option shall be exercisable only by the Optionee, or the Optionee's guardian or legal representative. In addition, the Option shall not be assigned, negotiated, pledged or hypothecated in any way (whether by operation of law or otherwise), and the Option shall not be subject to execution, attachment or similar process. Upon any attempt to transfer, assign, negotiate, pledge or hypothecate the Option, or in the event of any levy upon the Option by reason of any execution, attachment or similar process contrary to the provisions hereof, the Option shall immediately become null and void.

8. No Rights of Stockholders. Neither the Optionee nor any personal representative (or beneficiary) shall be, or shall have any of the rights and privileges of, a stockholder of the Company with respect to any Shares of Common Stock purchasable or issuable upon the exercise of the Option, in whole or in part, prior to the date of exercise of the Option.

9. Acceleration of Exercisability of Option. This Option shall become immediately fully vested and exercisable in the event that, prior to the termination of the Option pursuant to Section 6 hereof, there is a "Change in Control", as defined in Section 9(b) of the Plan, that occurs during the Optionee's Continuous Service and such "Change in Control" was not approved by the Board of Directors of the Company.

10. No Right to Continuous Service. Neither the Option nor this Agreement shall confer upon the Optionee any right to Continuous Service with the Company.

11. Law Governing. This Agreement shall be governed in accordance with and governed by the internal laws of the State of Delaware.

12. Interpretation / Provisions of Plan Control / Entire Agreement. This Agreement is subject to all the terms, conditions, and provisions of the Plan, including, without limitation, the amendment provisions thereof, and to such rules, regulations, and interpretations relating to the Plan adopted by the Committee or the Board as may be in effect from time to time. If and to the extent that this Agreement conflicts or is inconsistent with the terms, conditions, and provisions of the Plan, the Plan shall control, and this Agreement shall be deemed to be modified accordingly. The Optionee accepts the Option subject to all the terms and provisions of the Plan and this Agreement. The Optionee hereby accepts as binding, conclusive, and final all decisions or interpretations of the Committee or the Board upon any questions arising under the Plan and this Agreement. Except as may be modified by any other agreement between the Company and the Optionee, whether executed before or after the Date of Grant, the Company and the Optionee acknowledge and agree that this Agreement and the Plan set forth the entire understanding between the Optionee and the Company regarding the Option granted hereby and supersede all prior oral and written agreements on that subject.

13. Notices. Any notice under this Agreement shall be in writing and shall be deemed to have been duly given when delivered personally or when deposited in the United States mail, registered, postage prepaid, and addressed, in the case of the Company, to the Company's President at American Outdoor Brands, Inc., 1800 North Route Z, Columbia, Missouri 65202, or if the Company should move its principal office, to such principal office, and, in the case of the Optionee, to the Optionee's last permanent address as shown on the Company's records, subject to the right of either party to designate some other address at any time hereafter in a notice satisfying the requirements of this Section.

14. Clawback of Benefits. The Company may (i) cause the cancellation of the Options, (ii) require reimbursement of any benefit conferred under the Options to the Optionee, and (iii) effect any other right of recoupment of equity or other compensation provided under the Plan or otherwise in accordance with any Company policies that currently exist or that may from time to time be adopted or modified in the future by the Company and/or applicable law (each, a "Clawback Policy"). In addition, the Optionee may be required to repay to the Company certain previously paid compensation, whether provided under the Plan or this Agreement, in accordance with any Clawback Policy. By accepting this Award, the Optionee agrees to be bound by any existing or future Clawback Policy adopted by the Company, or any amendments that may from time to time be made to the Clawback Policy in the future by the Company in its discretion (including without limitation any Clawback Policy adopted or amended to comply with applicable laws or stock exchange requirements) and further agrees that all of the Optionee's Award Agreements may be unilaterally amended by the Company, without the Optionee's consent, to the extent that the Company in its discretion determines to be necessary or appropriate to comply with any Clawback Policy.

Exhibit 10.10

FORM OF

AMERICAN OUTDOOR BRANDS, INC.
2020 INCENTIVE COMPENSATION PLAN
RESTRICTED STOCK UNIT AWARD GRANT NOTICE AND AGREEMENT

I. Restricted Stock Unit Award Grant Notice

American Outdoor Brands, Inc. (the "Company"), pursuant to its 2020 Incentive Compensation Plan (as may be amended, the "Plan"), hereby grants to the Participant named below a right to receive the number of Shares set forth below. This Restricted Stock Unit Award Grant Notice and Agreement (the "Agreement") is subject to all of the terms and conditions as set forth herein and in the Plan, agreed to by the Participant, and incorporated herein in their entirety. Each capitalized term in this Agreement shall have the meaning assigned to it in this Agreement, or, if such term is not defined in this Agreement, such term shall have the meaning assigned to it under the Plan.

Participant:
Date of Grant:
Vesting Commencement Date:
Number of Restricted Stock Units:

Termination Date: Subject to forfeiture as provided in Section 3(b) of Part II of this Agreement.

Vesting Schedule: One-fourth of the Restricted Stock Unit Award will vest on each of the first, second, third and fourth anniversaries of the Vesting Commencement Date.

All vesting is subject to the Participant's Continuous Service with the Company, except as set forth in Part II of this Agreement.

Delivery Schedule: For each Restricted Stock Unit that vests (if any) the Participant will receive one Share, with the Share being delivered to the Participant [on the date on which the Restricted Stock Unit vests] [on the first anniversary of the date on which the Restricted Stock Unit vests] whether pursuant to Section 3(a) or otherwise (the "Delivery Date").

If the Delivery Date falls on a day in which the NASDAQ Global Select Market is not open for active trading, the Delivery Date will fall on the next active trading day. An active trading day is defined as a day in which the NASDAQ Global Select Market is open for trading, excluding after hours trading.

Additional Terms/Acknowledgements; Amendment, Modification, and Entire Agreement: The undersigned Participant acknowledges receipt of, and understands and agrees to, this Agreement (including Part II hereof). No provision of this Agreement may be modified, waived, or discharged unless that waiver, modification, or discharge is agreed to in writing and signed by the Participant and the Company. This Agreement constitutes the entire contract between the parties hereto with regard to the subject matter hereof. The Participant acknowledges that a copy of the Company's most recent prospectus describing the Plan and a complete copy of the Plan document have been made available to the Participant, that the Participant has had reasonable opportunity to review the prospectus, the Plan and this Agreement in their entirety, that the Participant has had an opportunity to obtain the advice of counsel prior to executing this Agreement and that the Participant fully understands all provisions of this Agreement. This Agreement is made pursuant to the provisions of the Plan and shall in all respects be construed in conformity with the terms of the Plan. In the event of a conflict between the Plan and this Agreement, the terms of the Plan shall govern. The Participant further acknowledges that as of the Date of Grant, this Agreement and the Plan set forth the entire understanding between the Participant and the Company regarding the acquisition of Shares pursuant to this Agreement and supersede all prior oral and written agreements on that subject, with the exception of (i) options and other awards previously granted and delivered to the Participant under the Plan, and (ii) the following agreements only:

Other Agreements: NONE

Without limiting the generality of the foregoing, the Participant acknowledges and agrees that no provision of any employment, severance, or other agreement, policy, practice or arrangement, whether written or unwritten, as may be amended or modified from time to time, shall apply to or in any way modify or amend this Agreement. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement.

[*Signature Page Follows*]

AMERICAN OUTDOOR BRANDS, INC.

By: _____
Name:
Title:

Effective as of:

PARTICIPANT:

_____

Effective as of:

II. Restricted Stock Unit Award Agreement

The Company wishes to grant to the Participant named in Part I of this Agreement (the "Notice of Grant") a Restricted Stock Unit Award (the "Award") pursuant to the provisions of the Plan. This Award will entitle the Participant to Shares from the Company if the Participant meets the vesting requirements described herein.

1. Grant Pursuant to Plan. This Award is granted pursuant to the Plan, which is incorporated herein for all purposes. The Participant hereby acknowledges that a copy of the Company's most recent prospectus describing the Plan and a complete copy of the Plan document have been made available to the Participant, that the Participant has had reasonable opportunity to review the prospectus, the Plan and this Agreement in their entirety, that the Participant has had an opportunity to obtain the advice of counsel prior to executing this Agreement and that the Participant fully understands all provisions of this Agreement. Participant agrees to be bound by all of the terms and conditions of this Agreement and of the Plan. Each capitalized term in this Agreement shall have the meaning assigned to it in this Agreement, or, if such term is not defined in this Agreement, such term shall have the meaning assigned to it under the Plan.

2. Restricted Stock Unit Award. The Company hereby grants to the Participant the number of Restricted Stock Units listed in the Notice of Grant as of the Date of Grant. Such number of Restricted Stock Units may be adjusted from time to time pursuant to Section 10(c) of the Plan.

3. Vesting and Forfeiture of Restricted Stock Units.

(a) Vesting. The Participant shall become vested in the Restricted Stock Units in accordance with the vesting schedule contained in the Notice of Grant.

(b) Forfeiture. The Participant shall forfeit any then unvested Restricted Stock Units (if any) in the event that the Participant's Continuous Service is terminated for any reason, except as otherwise determined by the Committee in its sole discretion, which determination need not be uniform as to all Participants.

(c) Accelerated Vesting in Certain Circumstances. In the event that prior to the final vesting date, the Company terminates a Participant without Good Cause (other than due to death or Disability) or the Participant resigns following an Adverse Change in Control Effect, in either case during a Potential Change in Control Protection Period or Change in Control Protection Period, the Participant shall become immediately vested in any Restricted Stock Units then remaining unvested (if any).

(d) Certain Definitions. For purposes of this Section 3, the following terms shall have the following meanings:

"Adverse Change in Control Effect" means, during a Potential Change in Control Protection Period or Change in Control Protection Period, without the Participant's written consent, (i) any material reduction in the Participant's annual base salary or target bonus percentage opportunity, (ii) any material adverse change in a Participant's positions, titles, duties, responsibilities or reporting relationships compared to the Participant's positions, titles, duties, responsibilities or reporting relationships immediately prior to a Potential Change in Control (if such diminution occurs during the Potential Change in Control Protection Period) or Change in Control (if such diminution occurs during the Change in Control Protection Period) or (iii) a relocation of the

Participant's principal place of business more than fifty (50) miles from his or her principal place of business immediately prior to a Potential Change in Control or Change in Control, as applicable; provided, however, that a Participant may resign following an Adverse Change in Control Effect only if Participant delivers a written notice to the Company within thirty (30) days of the date on which the Participant becomes aware of such condition and the Company does not cure such condition within sixty (60) days of such notice.

"Change in Control Protection Period" means the period commencing on the date a Change in Control occurs and ending on the first anniversary of such date.

"Good Cause" means (i) the Participant engaging in an act or acts involving a crime, moral turpitude, fraud, or dishonesty, (ii) the Participant willfully taking any action that may be materially injurious to the business or reputation of the Company or (iii) the Participant willfully violating in a material respect the Company's Corporate Governance Guidelines, Code of Conduct and Ethics or any other applicable code of conduct, all as may be amended from time to time, including, without limitation, provisions thereof relating to conflicts of interest or related party transactions.

"Potential Change in Control" means (i) the Company enters into an agreement, the consummation of which would result in the occurrence of a Change in Control, (ii) the Company or any person publicly announces an intention to take or to consider taking actions which, if consummated, would constitute a Change in Control or (iii) the Board of Directors of the Company adopts a resolution to the effect that, for purposes of this Award, a Potential Change in Control has occurred.

"Potential Change in Control Protection Period" means the period beginning upon the occurrence of a Potential Change in Control and ending upon the earliest to occur of (i) the consummation of the Change in Control or (ii) the abandonment of the transaction or series of transactions that constitute a Potential Change in Control (as determined by the Committee in its sole discretion).

4. Settlement of Restricted Stock Unit Award.

(a) Settlement of Units for Shares. The Company shall deliver to the Participant one Share for each Restricted Stock Unit subject to this Award that vests on the applicable Delivery Date. The Company shall not have any obligation to settle this Award for cash.

(b) Delivery of Shares. Shares shall be delivered on the Delivery Date. If the Delivery Date falls on a day in which the NASDAQ Global Select Market is not open for active trading, the Delivery Date will fall on the next active trading day. An active trading day is defined as a day in which the NASDAQ Global Select Market is open for trading, excluding after hours trading. Once a Share is delivered with respect to a vested Restricted Stock Unit, such vested Restricted Stock Unit shall terminate and the Company shall have no further obligation to deliver Shares or any other property for such vested Restricted Stock Unit.

5. No Rights as Shareholder until Delivery. The Participant shall not have any rights, benefits, or entitlements with respect to any Shares subject to any Restricted Stock Unit. On or after delivery of any Shares, the Participant shall have, with respect to any Shares delivered, all of the rights of an equity interest holder of the Company, including the right to vote the Shares and the right to receive all dividends (if any) as may be declared on Shares from time to time.

6. Tax Provisions.

(a) Tax Consequences. The Participant has reviewed with the Participant's own tax advisors the federal, state, local and foreign tax consequences of this investment and the transactions contemplated by this Agreement. The Participant is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. The Participant understands that the Participant (and not the Company) shall be responsible for any tax liability that may arise as a result of the transactions contemplated by this Agreement.

(b) Withholding Obligations. At the time this Award is granted, or at any time thereafter as requested by the Company, the Participant hereby authorizes withholding from payroll and any other amounts payable to the Participant (other than any amount constituting nonqualified deferred compensation within the meaning of Section 409A of the Code), including the Shares deliverable pursuant to this Award, and otherwise agrees to make adequate provision for, any sums required to satisfy the minimum federal, state, local, and foreign tax withholding obligations of the Company or a Related Entity (if any) which arise in connection with this Award.

The Company, in its sole discretion, and in compliance with any applicable legal conditions or restrictions, may withhold from fully vested Shares otherwise deliverable to the Participant pursuant to this Award a number of whole Shares having a Fair Market Value, as determined by the Company as of the date the Participant recognizes income with respect to those Shares, not in excess of the minimum amount of tax required to be withheld by law (or such lower amount as may be necessary to avoid adverse financial accounting treatment). Any adverse consequences to the Participant arising in connection with such Share withholding procedure shall be the Participant's sole responsibility.

In addition, the Company, in its sole discretion, may establish a procedure whereby the Participant may make an irrevocable election to direct a broker (determined by the Company) to sell sufficient Shares from this Award to cover the tax withholding obligations of the Company or any Related Entity and deliver such proceeds to the Company. Unless the tax withholding obligations of the Company or any Related Entity are satisfied, the Company shall have no obligation to issue a certificate for such Shares.

(c) Compliance with Section 409A. It is the intention of both the Company and the Participant that the benefits and rights to which the Participant could be entitled pursuant to this Agreement either comply with or fall within an exception to Section 409A of the Code and the Treasury Regulations and other guidance promulgated or issued thereunder ("Section 409A"), to the extent that the requirements of Section 409A are applicable thereto, and the provisions of this Agreement shall be construed in a manner consistent with that intention. Notwithstanding the foregoing, the Company does not make any representation to the Participant that the Restricted Stock Units awarded pursuant to this Agreement are exempt from, or satisfy, the requirements of Section 409A, and the Company shall have no liability or other obligation to indemnify or hold harmless the Participant or any beneficiary for any tax, additional tax, interest or penalties that the Participant or any beneficiary may incur in the event that any provision of this Agreement, or any amendment or modification thereof or any other action taken with respect thereto is deemed to violate any of the requirements of Section 409A. Neither the Company nor the Participant, individually or in combination, may accelerate any payment or benefit that is subject to Section 409A, except in compliance with Section 409A and the provisions of this Agreement, and no amount that is subject to Section 409A shall be paid prior to the earliest date on which it may be paid without violating Section 409A.

7. Consideration. With respect to the value of the Shares to be delivered pursuant to this Award, such Shares are granted in consideration for the services the Participant shall provide to the Company during the vesting period.

8. Transferability. The Restricted Stock Units granted under this Agreement are not transferable otherwise than by will or under the applicable laws of descent and distribution. In addition, this Award shall not be assigned, negotiated, pledged or hypothecated in any way (whether by operation of law or otherwise), and this Award shall not be subject to execution, attachment or similar process. Upon any attempt by the Participant to transfer, assign, negotiate, pledge or hypothecate this Award, or in the event of any levy upon this Award by reason of any execution, attachment or similar process as a result of any attempt by the Participant to transfer, assign, negotiate, pledge or hypothecate this Award, contrary to the provisions hereof, this Award shall immediately become null and void.

9. General Provisions.

(a) Employment At Will. Nothing in this Agreement or in the Plan shall confer upon the Participant any right to continue in the service of the Company or its Related Entities for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Company (or any Related Entity employing or retaining the Participant) or of the Participant, which rights are hereby expressly reserved by each, to terminate the Participant's service at any time for any reason, with or without cause.

(b) Notices. Any notice under this Agreement shall be in writing and shall be deemed to have been duly given when delivered personally or when deposited in the United States mail, registered, postage prepaid, and addressed, in the case of the Company, to the Company's President at American Outdoor Brands, Inc., 1800 North Route Z, Columbia, Missouri 65202, or if the Company should move its principal office, to such principal office, and, in the case of the Participant, to the Participant's last permanent address as shown on the Company's records, subject to the right of either party to designate some other address at any time hereafter, upon ten (10) days' advance written notice under this Section to all other parties to this Agreement.

(c) No Limit on Other Compensation Arrangements. Nothing contained in this Agreement shall preclude the Company from adopting or continuing in effect other or additional compensation arrangements, and those arrangements may be either generally applicable or applicable only in specific cases.

(d) Severability. If any provision of this Agreement is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction or would disqualify this Agreement or this Award under any applicable law, that provision shall be construed or deemed amended to conform to applicable law (or if that provision cannot be so construed or deemed amended without materially altering the purpose or intent of this Agreement and this Award, that provision shall be stricken as to that jurisdiction and the remainder of this Agreement and this Award shall remain in full force and effect).

(e) No Trust or Fund Created. Neither this Agreement nor the grant of this Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company and the Participant or any other person. The Restricted Stock Units subject to this Agreement represent only the Company's unfunded and unsecured promise to issue Shares to the Participant in the future. To the extent that the Participant or any other person acquires a right to receive payments from the Company pursuant to this Agreement, that right shall be no greater than the right of any unsecured general creditor of the Company.

(f) Cancellation of Award. If any Restricted Stock Units subject to this Agreement are forfeited, then from and after such time, the person from whom such Restricted Stock Units are forfeited shall no longer have any rights to such Restricted Stock Units or the corresponding Shares. Such Restricted Stock Units shall be deemed forfeited in accordance with the applicable provisions hereof.

(g) Participant Undertaking. The Participant hereby agrees to take whatever additional action and execute whatever additional documents the Company may deem necessary or advisable in order to carry out or effect one or more of the obligations or restrictions imposed on either the Participant or the Shares deliverable pursuant to the provisions of this Agreement.

(h) Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware without regard to the conflict-of-laws rules thereof or of any other jurisdiction.

(i) Waiver of Jury Trial. The Company and the Participant hereby waive, to the fullest extent permitted by applicable law, any right either party may have to a trial by jury in respect to any litigation directly or indirectly arising out of, under or in connection with this Award.

(j) Interpretation. The Participant accepts this Award subject to all the terms and provisions of this Agreement and the terms and conditions of the Plan. The Participant hereby accepts as binding, conclusive, and final all decisions or interpretations of the Committee upon any questions arising under this Agreement.

(k) Successors and Assigns. The provisions of this Agreement shall inure to the benefit of, and be binding upon, the Company and its successors and assigns and upon the Participant, the Participant's assigns and the legal representatives, heirs and legatees of the Participant's estate, whether or not any such person shall have become a party to this Agreement and have agreed in writing to join herein and be bound by the terms hereof. The Company may assign its rights and obligations under this Agreement, including, but not limited to, the forfeiture provision of Section 3(b) of this Agreement to any person or entity selected by the Board.

(l) Committee Discretion. Subject to the terms of this Agreement, the Committee shall have full and plenary discretion with respect to any actions to be taken or determinations to be made in connection with this Award, and its determinations shall be final, binding and conclusive.

(m) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

(n) Headings. Headings are given to the Sections and Subsections of this Agreement solely as a convenience to facilitate reference. The headings shall not be deemed in any way material or relevant to the construction or interpretation of this Agreement or any provision thereof.

10. Adjustments. If at any time while this Agreement is in effect and before any Shares have been delivered with respect to any Restricted Stock Units there shall be any increase or decrease in the number of issued and outstanding Shares of the Company through the declaration of a stock dividend or through any recapitalization resulting in a stock split-up, combination or exchange of such Shares, then and in that event, the Committee (or Board as applicable) shall make any adjustments it deems fair and appropriate, in view of such change, in the number of Shares subject to the Restricted Stock Units then subject to this Agreement. If any such adjustment shall result in a fractional Share, such fraction shall be disregarded.

11. Amendments. Any modification, amendment or waiver to this Agreement that shall materially impair the rights of the Participant with respect to the Restricted Stock Units shall require an instrument in writing to be signed by both parties hereto, except such a modification, amendment or waiver made to cause the Plan or the Restricted Stock Units to comply with applicable law, tax rules, stock exchange rules or accounting rules and which is made to similarly situated participants. The waiver by either party of compliance with any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by such party of a provision of this Agreement.

12. Representations. The Participant acknowledges and agrees that the Participant has reviewed this Agreement in its entirety, has had an opportunity to obtain the advice of counsel prior to executing and accepting this Award and fully understands all provisions of this Award.

13. Clawback of Benefits. The Company may (i) cause the cancellation of the Restricted Stock Units, (ii) require reimbursement of any benefit conferred under the Restricted Stock Units to the Participant, and (iii) effect any other right of recoupment of equity or other compensation provided under the Plan or otherwise in accordance with any Company policies that currently exist or that may from time to time be adopted or modified in the future by the Company and/or applicable law (each, a "Clawback Policy"). In addition, the Participant may be required to repay to the Company certain previously paid compensation, whether provided under the Plan or this Agreement, in accordance with any Clawback Policy. By accepting this Award, the Participant agrees to be bound by any existing or future Clawback Policy adopted by the Company, or any amendments that may from time to time be made to the Clawback Policy in the future by the Company in its discretion (including without limitation any Clawback Policy adopted or amended to comply with applicable laws or stock exchange requirements) and further agrees that all of the Participant's Award Agreements may be unilaterally amended by the Company, without the Participant's consent, to the extent that the Company in its discretion determines to be necessary or appropriate to comply with any Clawback Policy.

FORM OF

AMERICAN OUTDOOR BRANDS, INC.
2020 INCENTIVE COMPENSATION PLAN
PERFORMANCE STOCK UNIT AWARD GRANT NOTICE AND AGREEMENT

I. Performance Stock Unit Award Grant Notice

American Outdoor Brands, Inc. (the "Company"), pursuant to its 2020 Incentive Compensation Plan (as may be amended, the "Plan"), hereby grants to the Participant named below a right to receive the number of Shares set forth below. This Performance Stock Unit Award Grant Notice and Agreement (the "Agreement") is subject to all of the terms and conditions as set forth herein and in the Plan, agreed to by the Participant, and incorporated herein in their entirety. Each capitalized term in this Agreement shall have the meaning assigned to it in this Agreement, or, if such term is not defined in this Agreement, such term shall have the meaning assigned to it under the Plan.

Participant:
Date of Grant:
Number of Performance Stock Units: [●] ("Target Award")
[●] ("Maximum Award")

Termination Date: Subject to forfeiture as provided in Section 3(b) of Part II of this Agreement.

Vesting Schedule: Up to a maximum of [●] Performance Stock Units will vest on _____ [●], 20[●], following the written certification by the Compensation Committee of the Company's Board of Directors (the "Compensation Committee"), of the extent, if any, to which the following performance metric has been achieved. The performance metric is the relative performance of the Shares against the Russell 2000 Index over an approximately three-year period. To determine relative performance, the baseline metrics are the 90 calendar day average closing price of each of the Shares and the Russell 2000 Index, as reported in The Wall Street Journal, with the first trading day commencing on [April] [●], 20[●]. This 90 calendar day average establishes both the baseline Share price (the "Company Baseline") and the Russell 2000 Index baseline (the "Russell Baseline") against which future Share and Russell 2000 Index performance will be compared.

Next, the Compensation Committee will measure the 90 calendar day average closing price of each of the Shares and the Russell 2000 Index, as reported in The Wall Street Journal, with the last trading day of such 90 calendar day period ending on May [●], 20[●] (the "Ending Date," which establishes both the "Company Closing Price" and the "Russell Closing Price").

The Compensation Committee will then measure Company performance by dividing the Company Closing Price by the Company Baseline, with the quotient expressed as a percentage of the Company Baseline (the "Company Percentage Performance"). The Compensation Committee will then measure Russell 2000 Index performance over the same period by dividing the Russell Closing Price by the Russell Baseline with the quotient expressed as a percentage of the Russell Baseline (the "Russell Percentage Performance").

The Compensation Committee will then subtract the Russell Percentage Performance from the Company Percentage Performance, with the final result constituting the relative Company performance as a percentage (the "Relative Performance Percentage").

If the Relative Performance Percentage is less than 0%, no Performance Stock Units subject to this Award shall vest. If the Relative Performance Percentage is equal to 0%, then 38% of the Target Award shall vest. If the Relative Performance Percentage is greater than 0% but less than 5%, then the number of Performance Stock Units subject to this Award that vest shall equal the sum of (x) 38% of the Target Award, plus (y) (A) the Relative Performance Percentage multiplied by (B) 62% of the Target Award multiplied by (C) 20. If the Relative Performance Percentage is equal to or greater than 5% and less than or equal to 10%, then the number of Performance Stock Units subject to this Award that vest shall equal (i) the Relative Performance Percentage multiplied by (ii) the Target Award multiplied by (iii) 20. If the Relative Performance Percentage exceeds 10%, then the number of Performance Stock Units subject to this Award that vest shall equal (i) 10% multiplied by (ii) the Target Award multiplied by (iii) 20. In no event shall more than the Maximum Award vest.

For example, (a) if the Relative Performance Percentage equals 1%, then [●] Performance Stock Units subject to this Award shall vest (38% of Target Award plus (1% x 62% of Target Award x 20)); (b) if the Relative Performance Percentage equals 6%, then [●] Performance Stock Units subject to this Award shall vest (6% x Target Award x 20); and (c) if the Relative Performance Percentage equals 12%, then [●] Performance Stock Units subject to this Award shall vest (10% x Target Award x 20).

All vesting is subject to the Participant's Continuous Service with the Company from the Date of Grant through the Ending Date, except as set forth in Part II of this Agreement.

Delivery Schedule: Subject to Sections 4 and 7 of Part II of this Agreement, for each Performance Stock Unit that vests (if any) the Participant will receive one Share, with the Share being delivered to the Participant on the first anniversary of the Ending Date (the "Delivery Date").

If the Delivery Date falls on a day in which the NASDAQ Global Select Market is not open for active trading, the Delivery Date will fall on the next active trading day. An active trading day is defined as a day in which the NASDAQ Global Select Market is open for trading, excluding after hours trading.

Value Cap: Notwithstanding anything herein to the contrary, in no event will the Participant receive Shares on the Delivery Date (or, if applicable, the date specified in Section 4(c)) with an Ending Date Value in excess of 600% of the Grant Date Value (the "Value Cap"). In the event the Participant would receive Shares in excess of the Value Cap without regard to the prior sentence, the number of Shares delivered to the Participant will be reduced to the maximum number of whole Shares that may be delivered without exceeding the Value Cap.

The **"**Ending Date Value**"** means (i) the number of Shares to be delivered to the Participant on the Delivery Date (or, if applicable, the date specified in Section 4(c)) multiplied by (ii) the closing price of Shares on the NASDAQ Global Select Market on the Ending Date (or, if applicable, the date specified in Section 4(c)). The "Grant Date Value**"** means (i) the Target Award multiplied by (ii) the closing price of Shares on the NASDAQ Global Select on the Date of Grant.

Additional Terms/Acknowledgements; Amendment, Modification, and Entire Agreement: The undersigned Participant acknowledges receipt of, and understands and agrees to, this Agreement (including Part II hereof). No provision of this Agreement may be modified, waived, or discharged unless that waiver, modification, or discharge is agreed to in writing and signed by the Participant and the Company. This Agreement constitutes the entire contract between the parties hereto with regard to the subject matter hereof. The Participant acknowledges that a copy of the Company's most recent prospectus describing the Plan and a complete copy of the Plan document have been made available to the Participant, that the Participant has had reasonable opportunity to review the prospectus, the Plan and this Agreement in their entirety, that the Participant has had an opportunity to obtain the advice of counsel prior to executing this Agreement and that the Participant fully understands all provisions of this Agreement. This Agreement is made pursuant to the provisions of the Plan and shall in all respects be construed in conformity with the terms of the Plan. In the event of a conflict between the Plan and this Agreement, the terms of the Plan shall govern. The Participant further acknowledges that as of the Date of Grant, this Agreement and the Plan set forth the entire understanding between the Participant and the Company regarding the acquisition of Shares pursuant to this Agreement and supersede all prior oral and written agreements on that subject, with the exception of (i) options and other awards previously granted and delivered to the Participant under the Plan, and (ii) the following agreements only:

Other Agreements: NONE

Without limiting the generality of the foregoing, the Participant acknowledges and agrees that no provision of any employment, severance, or other agreement, policy, practice or arrangement, whether written or unwritten, as may be amended or modified from time to time, shall apply to or in any way modify or amend this Agreement. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement.

[*Signature Page Follows*]

AMERICAN OUTDOOR BRANDS, INC.	**PARTICIPANT:**
By: _____	_____
Name:	
Title:	
Effective as of:	Effective as of:

[Signature Page to Performance Stock Unit Award Grant Notice and Agreement]

II. Performance Stock Unit Award Agreement

The Company wishes to grant to the Participant named in Part I of this Agreement (the "Notice of Grant") a Performance Stock Unit Award (the "Award") pursuant to the provisions of the Plan. This Award will entitle the Participant to Shares from the Company if the Participant meets the vesting requirements described herein.

1. Grant Pursuant to Plan. This Award is granted pursuant to the Plan, which is incorporated herein for all purposes. The Participant hereby acknowledges that a copy of the Company's most recent prospectus describing the Plan and a complete copy of the Plan document have been made available to the Participant, that the Participant has had reasonable opportunity to review the prospectus, the Plan and this Agreement in their entirety, that the Participant has had an opportunity to obtain the advice of counsel prior to executing this Agreement and that the Participant fully understands all provisions of this Agreement. Participant agrees to be bound by all of the terms and conditions of this Agreement and of the Plan. Each capitalized term in this Agreement shall have the meaning assigned to it in this Agreement, or, if such term is not defined in this Agreement, such term shall have the meaning assigned to it under the Plan.

2. Performance Stock Unit Award. The Company hereby grants to the Participant the number of Performance Stock Units listed in the Notice of Grant as of the Date of Grant. Such number of Performance Stock Units may be adjusted from time to time pursuant to Section 10(c) of the Plan.

3. Vesting and Forfeiture of Performance Stock Units.

(a) Vesting. The Participant shall become vested in the Performance Stock Units in accordance with the vesting schedule contained in the Notice of Grant.

(b) Forfeiture. The Participant shall forfeit any then unvested Performance Stock Units (if any) in the event that the Participant's Continuous Service is terminated for any reason, except as otherwise determined by the Committee in its sole discretion, which determination need not be uniform as to all Participants.

4. Vesting and Delivery in Connection with a Change in Control.

(a) Determination of Earned Performance Stock Units. In the event of a Change in Control of the Company prior to the Ending Date, the Participant shall, upon consummation thereof, earn the Performance Stock Units in accordance with the formula under "Vesting Schedule" in the Notice of Grant, provided that solely for purposes of applying such formula the definition of Ending Date shall be deemed to mean the date of the consummation of the Change in Control and the Company Closing Price shall be deemed to equal (i) in the event the Change in Control involves the acquisition of Shares (including through a merger or tender offer), the highest per share price paid for Shares in the Change in Control or (ii) in the event the Change in Control does not involve the acquisition of Shares, the closing price of the Shares as of the date of the consummation of the Change in Control. Notwithstanding the foregoing, if during a Potential Change in Control Protection Period (i) the Company terminates the Participant without Good Cause (other than due to death or disability) or (ii) the Participant resigns following an Adverse Change in Control Effect, the Participant shall earn the Performance Stock Units as of the date of termination or resignation as described in the immediately preceding sentence, except that the definition of Ending Date shall be deemed to mean the date of the Potential Change in Control and the Company Closing Price shall be deemed to equal the closing price of the Shares

as of the Potential Change in Control. The Shares underlying the Performance Stock Units earned pursuant to the immediately preceding sentence shall be immediately vested and shall be delivered to the Participant in accordance with Section 4(c). Any Performance Stock Units that are not earned pursuant to this Section 4(a) shall terminate and the Company shall have no further obligation to deliver Shares or any other property for such unearned Performance Stock Units.

(b) Vesting of Earned Performance Stock Units. The Performance Stock Units earned pursuant to Section 4(a) due to a Change in Control shall convert into time-based Performance Stock Units (the "**Converted Performance Stock Units**") and such Converted Performance Stock Units shall remain unvested until the earlier of (i) if during the Change in Control Protection Period, the date on which the Participant is terminated without Good Cause (other than due to death or disability) or resigns following an Adverse Change in Control Effect and (ii) the Ending Date (determined without regard to Section 4(a)). The Participant shall forfeit any Converted Performance Stock Units in the event that the Participant's Continuous Service is terminated for any reason, except if during the Change in Control Protection Period, the Participant's Continuous Service is terminated (i) as a result of a termination without Good Cause (other than due to death or disability) or (ii) a resignation following an Adverse Change in Control Effect.

(c) Delivery of Shares. Subject to Sections 5(c) and 7, upon vesting of any Converted Performance Stock Units or Performance Stock Units, as applicable, earned pursuant to Section 4(a), the full amount of the Shares corresponding to such vested Converted Performance Stock Units or Performance Stock Units, as applicable, shall be distributed to the Participant (or, if appropriate, in lieu of such Shares, the stock or other securities or property to which the Participant would have been entitled to receive upon such Change in Control if the Participant had held the full number of Shares corresponding to the Participant's vested Converted Performance Stock Units or Performance Stock Units, as applicable, immediately prior thereto) as soon as administratively practicable following vesting but in no event later than five days following vesting. In the event that during a Potential Change in Control Protection Period or a Change in Control Protection Period and after the Ending Date (and prior to the Delivery Date), (i) the Company terminates the Participant without Good Cause (other than due to death or disability) or (ii) the Participant resigns following an Adverse Change in Control Effect, the Shares that would have been delivered at the Delivery Date shall be delivered as soon as administratively practicable following such termination but in no event later than five days following such termination.

(d) Certain Definitions. For purposes of this Section 43, the following terms shall have the following meanings:

"Adverse Change in Control Effect" means, during a Potential Change in Control Protection Period or Change in Control Protection Period, without the Participant's written consent, (i) any material reduction in the Participant's annual base salary, (ii) any material adverse change in a Participant's positions, titles, duties, responsibilities or reporting relationships compared to the Participant's positions, titles, duties, responsibilities or reporting relationships immediately prior to a Potential Change in Control (if such diminution occurs during the Potential Change in Control Protection Period) or Change in Control (if such diminution occurs during the Change in Control Protection Period) or (iii) a relocation of the Participant's principal place of business

more than fifty (50) miles from his or her principal place of business immediately prior to a Potential Change in Control or Change in Control, as applicable; provided, however, that a Participant may resign following an Adverse Change in Control Effect only if Participant delivers a written notice to the Company within thirty (30) days of the date on which the Participant becomes aware of such condition and the Company does not cure such condition within sixty (60) days of such notice.

"Change in Control Protection Period" means the period commencing on the date a Change in Control occurs and ending on the first anniversary of such date.

"Good Cause" means (i) the Participant engaging in an act or acts involving a crime, moral turpitude, fraud, or dishonesty, (ii) the Participant willfully taking any action that may be materially injurious to the business or reputation of the Company or (iii) the Participant willfully violating in a material respect the Company's Corporate Governance Guidelines, Code of Conduct and Ethics or any other applicable code of conduct, all as may be amended from time to time, including, without limitation, provisions thereof relating to conflicts of interest or related party transactions.

"Potential Change in Control" means (i) the Company enters into an agreement, the consummation of which would result in the occurrence of a Change in Control, (ii) the Company or any person publicly announces an intention to take or to consider taking actions which, if consummated, would constitute a Change in Control or (iii) the Board of Directors of the Company adopts a resolution to the effect that, for purposes of this Award, a Potential Change in Control has occurred.

"Potential Change in Control Protection Period" means the period beginning upon the occurrence of a Potential Change in Control and ending upon the earliest to occur of (i) the consummation of the Change in Control or (ii) the abandonment of the transaction or series of transactions that constitute a Potential Change in Control (as determined by the Committee in its sole discretion).

5. Settlement of Performance Stock Unit Award.

(a) Settlement of Units for Shares. Except as provided in Section 4 and subject to Section 7 of this Agreement, the Company shall deliver to the Participant on the Delivery Date one Share for each Performance Stock Unit subject to this Award that vests pursuant to Section 3(a). The Company shall not have any obligation to settle this Award for cash.

(b) Delivery of Shares. Shares shall be delivered on the Delivery Date or, if applicable, the date specified in Section 4(c). If the Delivery Date falls on a day in which the NASDAQ Global Select Market is not open for active trading, the Delivery Date will fall on the next active trading day. An active trading day is defined as a day in which the NASDAQ Global Select Market is open for trading, excluding after hours trading. Once a Share (or, to the extent applicable, other property described in Section 4(c)) is delivered with respect to a vested Performance Stock Unit, such vested Performance Stock Unit shall terminate and the Company shall have no further obligation to deliver Shares or any other property for such vested Performance Stock Unit.

(c) Value Cap. Notwithstanding anything herein to the contrary, in no event will the Participant receive Shares on the Delivery Date (or, if applicable, the date specified in Section 4(c)) with a value in excess of the Value Cap. In the event the Participant would receive Shares in excess of the Value Cap without regard to the prior sentence, the number of Shares delivered to the Participant will be reduced to the maximum number of whole Shares that may be delivered without exceeding the Value Cap.

6. No Rights as Shareholder until Delivery. The Participant shall not have any rights, benefits, or entitlements with respect to any Shares subject to any Performance Stock Unit. On or after delivery of any Shares, the Participant shall have, with respect to any Shares delivered, all of the rights of an equity interest holder of the Company, including the right to vote the Shares and the right to receive all dividends (if any) as may be declared on Shares from time to time.

7. Tax Provisions.

(a) Tax Consequences. The Participant has reviewed with the Participant's own tax advisors the federal, state, local and foreign tax consequences of this investment and the transactions contemplated by this Agreement. The Participant is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. The Participant understands that the Participant (and not the Company) shall be responsible for any tax liability that may arise as a result of the transactions contemplated by this Agreement.

(b) Withholding Obligations. At the time this Award is granted, or at any time thereafter as requested by the Company, the Participant hereby authorizes withholding from payroll and any other amounts payable to the Participant (other than any amount constituting nonqualified deferred compensation within the meaning of Section 409A of the Code), including the Shares deliverable pursuant to this Award, and otherwise agrees to make adequate provision for, any sums required to satisfy the minimum federal, state, local, and foreign tax withholding obligations of the Company or a Related Entity (if any) which arise in connection with this Award.

The Company, in its sole discretion, and in compliance with any applicable legal conditions or restrictions, may withhold from fully vested Shares otherwise deliverable to the Participant pursuant to this Award a number of whole Shares having a Fair Market Value, as determined by the Company as of the date the Participant recognizes income with respect to those Shares, not in excess of the minimum amount of tax required to be withheld by law (or such lower amount as may be necessary to avoid adverse financial accounting treatment). Any adverse consequences to the Participant arising in connection with such Share withholding procedure shall be the Participant's sole responsibility.

In addition, the Company, in its sole discretion, may establish a procedure whereby the Participant may make an irrevocable election to direct a broker (determined by the Company) to sell sufficient Shares from this Award to cover the tax withholding obligations of the Company or any Related Entity and deliver such proceeds to the Company. Unless the tax withholding obligations of the Company or any Related Entity are satisfied, the Company shall have no obligation to issue a certificate for such Shares.

(c) Compliance with Section 409A. It is the intention of both the Company and the Participant that the benefits and rights to which the Participant could be entitled pursuant to this Agreement either comply with or fall within an exception to Section 409A of the Code and the Treasury Regulations and other guidance promulgated or issued thereunder ("Section 409A"), to the extent that the requirements of Section 409A are applicable thereto, and the provisions of this Agreement shall be construed in a manner consistent with that intention. Notwithstanding the

foregoing, the Company does not make any representation to the Participant that the Performance Stock Units awarded pursuant to this Agreement are exempt from, or satisfy, the requirements of Section 409A, and the Company shall have no liability or other obligation to indemnify or hold harmless the Participant or any beneficiary for any tax, additional tax, interest or penalties that the Participant or any beneficiary may incur in the event that any provision of this Agreement, or any amendment or modification thereof or any other action taken with respect thereto is deemed to violate any of the requirements of Section 409A. Neither the Company nor the Participant, individually or in combination, may accelerate any payment or benefit that is subject to Section 409A, except in compliance with Section 409A and the provisions of this Agreement, and no amount that is subject to Section 409A shall be paid prior to the earliest date on which it may be paid without violating Section 409A.

8. Consideration. With respect to the value of the Shares to be delivered pursuant to this Award, such Shares are granted in consideration for the services the Participant shall provide to the Company during the vesting period.

9. Transferability. The Performance Stock Units granted under this Agreement are not transferable otherwise than by will or under the applicable laws of descent and distribution. In addition, this Award shall not be assigned, negotiated, pledged or hypothecated in any way (whether by operation of law or otherwise), and this Award shall not be subject to execution, attachment or similar process. Upon any attempt by the Participant to transfer, assign, negotiate, pledge or hypothecate this Award, or in the event of any levy upon this Award by reason of any execution, attachment or similar process as a result of any attempt by the Participant to transfer, assign, negotiate, pledge or hypothecate this Award, contrary to the provisions hereof, this Award shall immediately become null and void.

10. General Provisions.

(a) Employment At Will. Nothing in this Agreement or in the Plan shall confer upon the Participant any right to continue in the service of the Company or its Related Entities for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Company (or any Related Entity employing or retaining the Participant) or of the Participant, which rights are hereby expressly reserved by each, to terminate the Participant's service at any time for any reason, with or without cause.

(b) Notices. Any notice under this Agreement shall be in writing and shall be deemed to have been duly given when delivered personally or when deposited in the United States mail, registered, postage prepaid, and addressed, in the case of the Company, to the Company's President at American Outdoor Brands, Inc., 1800 North Route Z, Columbia, Missouri 65202, or if the Company should move its principal office, to such principal office, and, in the case of the Participant, to the Participant's last permanent address as shown on the Company's records, subject to the right of either party to designate some other address at any time hereafter, upon ten (10) days' advance written notice under this Section to all other parties to this Agreement.

(c) No Limit on Other Compensation Arrangements. Nothing contained in this Agreement shall preclude the Company from adopting or continuing in effect other or additional compensation arrangements, and those arrangements may be either generally applicable or applicable only in specific cases.

(d) Severability. If any provision of this Agreement is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction or would disqualify this Agreement or this Award under any applicable law, that provision shall be construed or deemed amended to conform to applicable law (or if that provision cannot be so construed or deemed amended without materially altering the purpose or intent of this Agreement and this Award, that provision shall be stricken as to that jurisdiction and the remainder of this Agreement and this Award shall remain in full force and effect).

(e) No Trust or Fund Created. Neither this Agreement nor the grant of this Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company and the Participant or any other person. The Performance Stock Units subject to this Agreement represent only the Company's unfunded and unsecured promise to issue Shares to the Participant in the future. To the extent that the Participant or any other person acquires a right to receive payments from the Company pursuant to this Agreement, that right shall be no greater than the right of any unsecured general creditor of the Company.

(f) Cancellation of Award. If any Performance Stock Units subject to this Agreement are forfeited, then from and after such time, the person from whom such Performance Stock Units are forfeited shall no longer have any rights to such Performance Stock Units or the corresponding Shares. Such Performance Stock Units shall be deemed forfeited in accordance with the applicable provisions hereof.

(g) Participant Undertaking. The Participant hereby agrees to take whatever additional action and execute whatever additional documents the Company may deem necessary or advisable in order to carry out or effect one or more of the obligations or restrictions imposed on either the Participant or the Shares deliverable pursuant to the provisions of this Agreement.

(h) Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware without regard to the conflict-of-laws rules thereof or of any other jurisdiction.

(i) Waiver of Jury Trial. The Company and the Participant hereby waive, to the fullest extent permitted by applicable law, any right either party may have to a trial by jury in respect to any litigation directly or indirectly arising out of, under or in connection with this Award.

(j) Interpretation. The Participant accepts this Award subject to all the terms and provisions of this Agreement and the terms and conditions of the Plan. The Participant hereby accepts as binding, conclusive, and final all decisions or interpretations of the Committee upon any questions arising under this Agreement.

(k) Successors and Assigns. The provisions of this Agreement shall inure to the benefit of, and be binding upon, the Company and its successors and assigns and upon the Participant, the Participant's assigns and the legal representatives, heirs and legatees of the Participant's estate, whether or not any such person shall have become a party to this Agreement and have agreed in writing to join herein and be bound by the terms hereof. The Company may assign its rights and obligations under this Agreement, including, but not limited to, the forfeiture provision of Section 3(b) of this Agreement to any person or entity selected by the Board.

(l) Committee Discretion. Subject to the terms of this Agreement, the Committee shall have full and plenary discretion with respect to any actions to be taken or determinations to be made in connection with this Award, and its determinations shall be final, binding and conclusive.

(m) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

(n) Headings. Headings are given to the Sections and Subsections of this Agreement solely as a convenience to facilitate reference. The headings shall not be deemed in any way material or relevant to the construction or interpretation of this Agreement or any provision thereof.

11. Adjustments. If at any time while this Agreement is in effect and before any Shares have been delivered with respect to any Performance Stock Units there shall be any increase or decrease in the number of issued and outstanding Shares of the Company through the declaration of a stock dividend or through any recapitalization resulting in a stock split-up, combination or exchange of such Shares, then and in that event, the Committee (or Board as applicable) shall make any adjustments it deems fair and appropriate, in view of such change, in the number of Shares subject to the Performance Stock Units then subject to this Agreement. If any such adjustment shall result in a fractional Share, such fraction shall be disregarded.

12. Amendments. Any modification, amendment or waiver to this Agreement that shall materially impair the rights of the Participant with respect to the Performance Stock Units shall require an instrument in writing to be signed by both parties hereto, except such a modification, amendment or waiver made to cause the Plan or the Performance Stock Units to comply with applicable law, tax rules, stock exchange rules or accounting rules and which is made to similarly situated participants. The waiver by either party of compliance with any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by such party of a provision of this Agreement.

13. Representations. The Participant acknowledges and agrees that the Participant has reviewed this Agreement in its entirety, has had an opportunity to obtain the advice of counsel prior to executing and accepting this Award and fully understands all provisions of this Award.

14. Clawback of Benefits. The Company may (i) cause the cancellation of the Performance Stock Units, (ii) require reimbursement of any benefit conferred under the Performance Stock Units to the Participant, and (iii) effect any other right of recoupment of equity or other compensation provided under the Plan or otherwise in accordance with any Company policies that currently exist or that may from time to time be adopted or modified in the future by the Company and/or applicable law (each, a "Clawback Policy"). In addition, the Participant may be required to repay to the Company certain previously paid compensation, whether provided under the Plan or this Agreement, in accordance with any Clawback Policy. By accepting this Award, the Participant agrees to be bound by any existing or future Clawback Policy adopted by the Company, or any amendments that may from time to time be made to the Clawback Policy in the future by the Company in its discretion (including without limitation any Clawback Policy adopted or amended to comply with applicable laws or stock exchange requirements) and further agrees that all of the Participant's Award Agreements may be unilaterally amended by the Company, without the Participant's consent, to the extent that the Company in its discretion determines to be necessary or appropriate to comply with any Clawback Policy.

AMERICAN OUTDOOR BRANDS, INC.

2020 EMPLOYEE STOCK PURCHASE PLAN

1. **Purpose**. The purpose of the Plan is to provide incentive for present and future employees of the Company and any Designated Subsidiary to acquire a proprietary interest (or increase an existing proprietary interest) in the Company through the purchase of Common Stock. It is the Company's intention that the Plan qualify as an "employee stock purchase plan" under Section 423 of the Code. Accordingly, the provisions of the Plan shall be administered, interpreted and construed in a manner consistent with the requirements of that section of the Code.

2. **Definitions**.

(a) "**Applicable Percentage**" means the percentage specified in Section 8, subject to adjustment by the Committee as provided in Section 8.

(b) "**Board**" means the Board of Directors of the Company.

(c) "**Code**" means the Internal Revenue Code of 1986, as amended from time to time, including regulations thereunder, and successor provisions and regulations thereto.

(d) "**Committee**" means the committee appointed by the Board to administer the Plan as described in Section 13 of the Plan or, if no such Committee is appointed, the Board.

(e) "**Common Stock**" means the Company's common stock, par value $0.001 per share.

(f) "**Company**" means American Outdoor Brands, Inc., a Delaware corporation.

(g) "**Compensation**" means, with respect to each Participant for each pay period, all regular straight time gross earnings paid to such Participant by the Company or a Designated Subsidiary. Except as otherwise determined by the Committee, "Compensation" shall not include: (i) commissions, (ii) payments for overtime, (iii) shift premium, (iv) incentive compensation, (v) incentive payments, (vi) bonuses, and (vii) other compensation.

(h) "**Continuous Status as an Employee**" means the absence of any interruption or termination of service as an Employee. Continuous Status as an Employee shall not be considered interrupted in the case of a leave of absence agreed to in writing by the Company or the Designated Subsidiary that employs the Employee, provided that such leave is for a period of not more than 90 days or reemployment upon the expiration of such leave is guaranteed by contract or statute.

(i) "**Designated Subsidiaries**" means the Subsidiaries that have been designated by the Board from time to time in its sole discretion as eligible to participate in the Plan.

(j) "**Employee**" means any person, including an Officer, whose customary employment with the Company or one of its Designated Subsidiaries is at least 20 hours per week and more than five months in any calendar year.

(k) "**Entry Date**" means the first day of each Exercise Period.

(l) "**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

(m) "**Exercise Date**" means the last Trading Day ending on or before the March 31 or September 30, as applicable, immediately following the First Offering Date, and the last Trading Day ending on or before each March 31 or September 30 thereafter.

(n) "**Exercise Period**" means, for any Offering Period, each period commencing on the Offering Date and on the day after each Exercise Date, and terminating on the immediately following Exercise Date.

(o) "**Exercise Price**" means the price per share of Common Stock offered in a given Offering Period determined as provided in Section 8.

(p) "**Fair Market Value**" means, with respect to a share of Common Stock, the Fair Market Value as determined under Section 7(b).

(q) "**First Offering Date**" means October 1, 2020.

(r) "**Offering Date**" means the first Trading Day of each Offering Period; provided, that in the case of an individual who becomes eligible to become a Participant under Section 3 after the first Trading Day of an Offering Period, the term "Offering Date" shall mean the first Trading Day of the Exercise Period coinciding with or next succeeding the day on which that individual becomes eligible to become a Participant. Options granted after the first day of an Offering Period will be subject to the same terms as the options granted on the first Trading Day of such Offering Period except that they will have a different grant date (thus, potentially, a different exercise price) and, because they expire at the same time as the options granted on the first Trading Day of such Offering Period, a shorter term.

(s) "**Offering Period**" means, subject to adjustment as provided in Section 4, (i) with respect to the first Offering Period, the period beginning on the First Offering Date and ending on September 30 or March 31, as applicable, which is 12 months thereafter, and (ii) with respect to each Offering Period thereafter, the period beginning on April 1 or October 1, as applicable, immediately following the end of the previous Offering Period and ending on September 30 or March 31, as applicable, which is 12 months thereafter.

(t) "**Officer**" means a person who is an officer of the Company within the meaning of Section 16 under the Exchange Act and the rules and regulations promulgated thereunder.

(u) "**Participant**" means an Employee who has elected to participate in the Plan by filing an enrollment agreement with the Company as provided in Section 5 of the Plan.

(v) "**Plan**" shall mean this American Outdoor Brands, Inc. 2020 Employee Stock Purchase Plan, as amended from time to time.

(w) "**Plan Contributions**" means, with respect to each Participant, the after-tax payroll deductions withheld from the Compensation of the Participant and contributed to the Plan for the Participant as provided in Section 6 of the Plan.

(x) "**Subsidiary**" shall mean any corporation, domestic or foreign, of which the Company owns, directly or indirectly, 50% or more of the total combined voting power of all classes of stock, and that otherwise qualifies as a "subsidiary corporation" within the meaning of Section 424(f) of the Code.

(y) "**Trading Day**" shall mean a day on which the national stock exchanges and the NASDAQ National Market system ("**NASDAQ**") are open for trading.

3. **Eligibility**.

(a) Any Employee who is an Employee as of the Offering Date of a given Offering Period shall be eligible to participate in such Offering Period under the Plan, subject to the requirements of Section 5(a) and the limitations imposed by Section 423(b) of the Code; provided, however, that any Employee who is an Employee as of the First Offering Date shall be eligible to become a Participant as of such First Offering Date; and further provided, however, that eligible Employees may not participate in more than one Offering Period at a time.

(b) Notwithstanding any provision of the Plan to the contrary, no Participant shall be granted an option under the Plan (i) to the extent that if, immediately after the grant, such Employee (or any other person whose stock would be attributed to such Employee pursuant to Section 424(d) of the Code) would own stock and/or hold outstanding options to purchase stock possessing 5% or more of the total combined voting power or value of all classes of stock of the Company or of any Subsidiary of the Company, or (ii) to the extent that his or her rights to purchase stock under all employee stock purchase plans of the Company and its Subsidiaries intended to qualify under Section 423 of the Code to accrue at a rate which exceeds $25,000 of fair market value of stock (determined at the time such option is granted) for each calendar year in which such option is outstanding at any time.

4. **Offering Periods**. The Plan shall generally be implemented by a series of Offering Periods. The first Offering Period shall commence on the First Offering Date and end on the immediately following March 31 or September 30, as determined by the Committee prior to the First Offering Date, and succeeding Offering Periods shall commence on October 1 or April 1, as applicable, immediately following the end of the previous Offering Period and end on March 31 or September 30, as applicable, which is 12 months thereafter. If, however, the Fair Market Value of a share of Common Stock on any Exercise Date (except the final scheduled Exercise Date of any Offering Period) is lower than the Fair Market Value of a share of Common Stock on the Offering Date, then the Offering Period in progress shall end immediately following the close of trading on such Exercise Date, and a new Offering Period shall begin on the next subsequent April 1 or October 1, as applicable, and shall extend for a 12 month period ending on September 30 or March 31, as applicable. Subsequent Offering Periods shall commence on the April 1 or October 1, as applicable, immediately following the end of the previous Offering Period and shall extend for a 12 month period ending on September 30 or March 31, as applicable. The Committee shall have the power to make other changes to the duration and/or the frequency of Offering Periods with respect to future offerings if such change is announced at least five days prior to the scheduled beginning of the first Offering Period to be affected and the Offering Period does not exceed 12 months.

5. **Election to Participate**.

(a) An eligible Employee may elect to participate in the Plan commencing on any Entry Date by completing an enrollment agreement on the form provided by the Company and filing the enrollment agreement with the Company on or prior to such Entry Date, unless a later time for filing the enrollment agreement is set by the Committee for all eligible Employees with respect to a given offering; provided, however, that an Employee who (i) was an Employee as of the Offering Date of a given Offering Period and was eligible to participate in such Offering Period under the Plan (which shall not include an individual who became eligible to become a Participant under Section 3 after the first Trading Day of the Offering Period) and (ii) who did not elect to participate in such Offering Period under the Plan may not elect to participate in the Plan until the immediately succeeding Offering Period. The enrollment agreement shall set forth the percentage of the Participant's Compensation that is to be withheld by payroll deduction pursuant to the Plan.

(b) Except as otherwise determined by the Committee under rules applicable to all Participants, payroll deductions for a Participant shall commence on the first payroll date following the Entry Date on which the Participant elects to participate in accordance with Section 5(a) and shall end on the last payroll date in the Offering Period, unless sooner terminated by the Participant as provided in Section 11.

(c) Unless a Participant elects otherwise prior to the last Exercise Date of an Offering Period, including the last Exercise Date prior to termination in the case of an Offering Period terminated by operation of the rule contained in Section 4 hereof, such Participant shall be deemed (i) to have elected to participate in the immediately succeeding Offering Period (and, for purposes of such Offering Period such Participant's "Entry Date" shall be deemed to be the first day of such Offering Period) and (ii) to have authorized the same payroll deduction for such immediately succeeding Offering Period as was in effect for such Participant immediately prior to the commencement of such succeeding Offering Period.

6. **Participant Contributions**.

(a) Except as otherwise authorized by the Committee pursuant to Section 6(d) below, all Participant contributions to the Plan shall be made only by payroll deductions. At the time a Participant files the enrollment agreement with respect to an Offering Period, the Participant may authorize payroll deductions to be made on each payroll date during the portion of the Offering Period that he or she is a Participant in an amount not less than 1% and not more than 20% (or such greater percentage as the Committee may establish from time to time before an Offering Date) of the Participant's Compensation on each payroll date during the portion of the Offering Period that he or she is a Participant (or subsequent Offering Periods as provided in Section 5(c)). The amount of payroll deductions shall be a whole percentage (i.e., 1%, 2%, 3%, etc.) of the Participant's Compensation.

(b) A Participant may discontinue his or her participation in the Plan as provided in Section 11, or may decrease or increase the rate or amount of his or her payroll deductions during such Offering Period (within the limitations of Section 6(a) above) by completing and filing with the Company a new enrollment agreement authorizing a change in the rate or amount of payroll deductions; provided, that a Participant may not change the rate or amount of his or her payroll deductions more than once in any Exercise Period. The change in rate or amount shall be effective with the first full payroll period following 10 business days after the Company's receipt of the new enrollment agreement.

(c) Notwithstanding the foregoing, to the extent necessary to comply with Section 423(b)(8) of the Code and Section 3(b) hereof, a Participant's payroll deductions may be decreased to 0% at such time during any Exercise Period which is scheduled to end during the current calendar year that the aggregate of all payroll deductions accumulated with respect to such Exercise Period and any other Exercise Period ending within the same calendar year are equal to the product of $25,000 multiplied by the Applicable Percentage for the calendar year. Payroll deductions shall recommence at the rate provided in the Participant's enrollment agreement at the beginning of the following Exercise Period which is scheduled to end in the following calendar year, unless terminated by the Participant as provided in Section 11.

(d) All Plan Contributions made for a Participant shall be deposited in the Company's general corporate account and shall be credited to the Participant's account under the Plan. No interest shall accrue or be credited with respect to a Participant's Plan Contributions. All Plan Contributions received or held by the Company may be used by the Company for any corporate purpose, and the Company shall not be obligated to segregate or otherwise set apart such Plan Contributions from any other corporate funds.

7. **Grant of Option**.

(a) On a Participant's Entry Date, subject to the limitations set forth in Sections 3(b) and 12(a), the Participant shall be granted an option to purchase on each subsequent Exercise Date during the Offering Period in which such Entry Date occurs (at the Exercise Price determined as provided in Section 8 below) up to a number of shares of Common Stock determined by dividing such Participant's Plan Contributions accumulated prior to such Exercise Date and retained in the Participant's account as of such Exercise Date by the Exercise Price; provided, that the maximum number of shares an Employee may purchase during any Exercise Period shall be 2,500 shares. The Fair Market Value of a share of Common Stock shall be determined as provided in Section 7(b).

(b) The Fair Market Value of a share of Common Stock on a given date shall be determined by the Committee in its discretion; provided, that if there is a public market for the Common Stock, the Fair Market Value per share shall be either (i) the closing price of the Common Stock on such date (or, in the event that the Common Stock is not traded on such date, on the immediately preceding trading date), as reported by NASDAQ, (ii) if such price is not reported, the average of the bid and asked prices for the Common Stock on such date (or, in the event that the Common Stock is not traded on such date, on the immediately preceding trading date), as reported by NASDAQ, (iii) in the event the Common Stock is listed on a stock exchange, the closing price of the Common Stock on such exchange on such date (or, in the event that the Common Stock is not traded on such date, on the immediately preceding trading date), as reported in The Wall Street Journal, or (iv) if no such quotations are available for a date within a reasonable time prior to the valuation date, the value of the Common Stock as determined by the Committee using any reasonable means.

8. **Exercise Price**. The Exercise Price per share of Common Stock offered to each Participant in a given Offering Period shall be the lower of: (i) the Applicable Percentage of the Fair Market Value of a share of Common Stock on the Offering Date or (ii) the Applicable Percentage of the Fair Market Value of a share of Common Stock on the Exercise Date. The Applicable Percentage with respect to each Offering Period shall be 85%, unless and until such Applicable Percentage is increased by the Committee, in its sole discretion, provided that any such increase in the Applicable Percentage with respect to a given Offering Period must be established not less than 15 days prior to the Offering Date thereof.

9. **Exercise of Options**. Unless the Participant withdraws from the Plan as provided in Section 11, the Participant's option for the purchase of shares will be exercised automatically on each Exercise Date, and the maximum number of full shares subject to such option shall be purchased for the Participant at the applicable Exercise Price with the accumulated Plan Contributions then credited to the Participant's account under the Plan. During a Participant's lifetime, a Participant's option to purchase shares hereunder is exercisable only by the Participant.

10. **Delivery**. As promptly as practicable after each Exercise Date, the Company shall arrange for the delivery to each Participant (or the Participant's beneficiary), as appropriate, or to a custodial account for the benefit of each Participant (or the Participant's beneficiary) as appropriate, of the shares purchased upon exercise of such Participant's option. No fractional shares shall be purchased; any payroll deductions accumulated in a Participant's account that are not sufficient to purchase a full share shall be retained in such Participant's account for the subsequent Exercise Period or Offering Period, subject to earlier withdrawal by the participant as provided in Section 11 below. Any other amounts left over in a participant's account after a Exercise Date shall be returned to the Participant as soon as administratively practicable.

11. **Withdrawal; Termination of Employment**.

(a) A Participant may withdraw from the Plan at any time by giving written notice to the Company. All of the Plan Contributions credited to the Participant's account and not yet invested in Common Stock will be paid to the Participant as soon as administratively practicable after receipt of the Participant's notice of withdrawal, the Participant's option to purchase shares pursuant to the Plan automatically will be terminated, and no further payroll deductions for the purchase of shares will be made for the Participant's account. Payroll deductions will not resume on behalf of a Participant who has withdrawn from the Plan (a "Former Participant") unless the Former Participant enrolls in a subsequent Offering Period in accordance with Section 5(a).

(b) Upon termination of the Participant's Continuous Status as an Employee prior to any Exercise Date for any reason, including retirement or death, the Plan Contributions credited to the Participant's account and not yet invested in Common Stock will be returned to the Participant or, in the case of death, to the Participant's beneficiary as determined pursuant to Section 14, and the Participant's option to purchase shares under the Plan will automatically terminate.

(c) A Participant's withdrawal from an Offering Period will not have any effect upon the Participant's eligibility to participate in succeeding Offering Periods or in any similar plan which may hereafter be adopted by the Company.

12. **Stock**.

(a) Subject to adjustment as provided in Section 17, the maximum number of shares of the Company's Common Stock that shall be made available for sale under the Plan shall be equal to 419,253 shares plus the lesser of (i) 1% of the number of shares of the Company's common stock outstanding as of the end of each fiscal year of the Company or (ii) such number of shares as the Committee may determine. Shares of Common Stock subject to the Plan may be newly issued shares or shares reacquired in private transactions or open market purchases. If and to the extent that any right to purchase reserved shares shall not be exercised by any Participant for any reason or if such right to purchase shall terminate as provided herein, shares that have not been so purchased hereunder shall again become available for the purpose of the Plan unless the Plan shall have been terminated, but all shares sold under the Plan, regardless of source, shall be counted against the limitation set forth above.

(b) A Participant will have no interest or voting right in shares covered by his option until such option has been exercised.

(c) Shares to be delivered to a Participant under the Plan will be registered in the name of the Participant or in the name of the Participant and his or her spouse, as requested by the Participant.

13. **Administration**.

(a) The Plan shall be administered by the Committee. The Committee shall have the authority to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to the Plan, and to make all other determinations necessary or advisable for the administration of the Plan. The administration, interpretation, or application of the Plan by the Committee shall be final, conclusive and binding upon all persons.

(b) Notwithstanding the provisions of Subsection (a) of this Section 13, in the event that Rule 16b-3 promulgated under the Exchange Act or any successor provision thereto ("**Rule 16b-3**") provides specific requirements for the administrators of plans of this type, the Plan shall only be administered by such body and in such a manner as shall comply with the applicable requirements of Rule 16b-3. Unless permitted by Rule 16b-3, no discretion concerning decisions regarding the Plan shall be afforded to any person that is not "disinterested" as that term is used in Rule 16b-3.

14. **Designation of Beneficiary**.

(a) A Participant may file a written designation of a beneficiary who is to receive any shares and cash, if any, from the Participant's account under the Plan in the event of the Participant's death subsequent to an Exercise Date on which the Participant's option hereunder is exercised but prior to delivery to the Participant of such shares and cash. In addition, a Participant may file a written designation of a beneficiary who is to receive any cash from the Participant's account under the Plan in the event of the Participant's death prior to the exercise of the option.

(b) A Participant's beneficiary designation may be changed by the Participant at any time by written notice. In the event of the death of a Participant and in the absence of a beneficiary validly designated under the Plan who is living at the time of such Participant's death, the Company shall deliver such shares and/or cash to the executor or administrator of the estate of the Participant, or if no such executor or administrator has been appointed (to the knowledge of the Company), the Company, in its discretion, may deliver such shares and/or cash to the spouse or to any one or more dependents or relatives of the Participant, or if no spouse, dependent or relative is known to the Company, then to such other person as the Company may designate.

15. **Transferability**. Neither Plan Contributions credited to a Participant's account nor any rights to exercise any option or receive shares of Common Stock under the Plan may be assigned, transferred, pledged or otherwise disposed of in any way (other than by will or the laws of descent and distribution, or as provided in Section 14). Any attempted assignment, transfer, pledge or other distribution shall be without effect, except that the Company may treat such act as an election to withdraw funds in accordance with Section 11.

16. **Participant Accounts**. Individual accounts will be maintained for each Participant in the Plan to account for the balance of his Plan Contributions and options issued and shares purchased under the Plan. Statements of account will be given to Participants semi-annually in due course following each Exercise Date, which statements will set forth the amounts of payroll deductions, the per share purchase price, the number of shares purchased and the remaining cash balance, if any.

17. **Adjustments Upon Changes in Capitalization; Corporate Transactions**.

(a) If the outstanding shares of Common Stock are increased or decreased, or are changed into or are exchanged for a different number or kind of shares, as a result of one or more reorganizations, restructurings, recapitalizations, reclassifications, stock splits, reverse stock splits, stock dividends stock repurchases, or the like, equitable and proportionate adjustments shall be made by the Committee in the number and/or kind of shares, and the per-share option price thereof, which may be issued in the aggregate and to any Participant upon exercise of options granted under the Plan.

(b) In the event of the proposed dissolution or liquidation of the Company, the Offering Period will terminate immediately prior to the consummation of such proposed action, unless otherwise provided by the Committee. In the event of a proposed sale of all or substantially all of the Company's assets, or the merger of the Company with or into another corporation (each, a "**Sale Transaction**"), each option under the Plan shall be assumed or an equivalent option shall be substituted by such successor corporation or a parent or subsidiary of such successor corporation, unless the Committee determines, in the exercise of its sole discretion and in lieu of such assumption or substitution, to shorten the Exercise Period then in progress by setting a new Exercise Date (the "**New Exercise Date**"). If the Committee shortens the Exercise Period then in progress in lieu of assumption or substitution in the event of a Sale Transaction, the Committee shall notify each Participant in writing, at least 10 days prior to the

New Exercise Date, that the exercise date for such Participant's option has been changed to the New Exercise Date and that such Participant's option will be exercised automatically on the New Exercise Date, unless prior to such date the Participant has withdrawn from the Plan as provided in Section 11. For purposes of this Section 17(b), an option granted under the Plan shall be deemed to have been assumed if, following the Sale Transaction, the option confers the right to purchase, for each share of option stock subject to the option immediately prior to the Sale Transaction, the consideration (whether stock, cash or other securities or property) received in the Sale Transaction by holders of Common Stock for each share of Common Stock held on the effective date of the Sale Transaction (and if such holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding shares of Common Stock); provided, that if the consideration received in the Sale Transaction was not solely common stock of the successor corporation or its parent (as defined in Section 424(e) of the Code), the Committee may, with the consent of the successor corporation and the Participant, provide for the consideration to be received upon exercise of the option to be solely common stock of the successor corporation or its parent equal in fair market value to the per share consideration received by the holders of Common Stock in the Sale Transaction.

(c) In all cases, the Committee shall have sole discretion to exercise any of the powers and authority provided under this Section 17, and the Committee's actions hereunder shall be final and binding on all Participants. No fractional shares of stock shall be issued under the Plan pursuant to any adjustment authorized under the provisions of this Section 17.

18. **Amendment of the Plan**. The Board or the Committee may at any time, or from time to time, amend the Plan in any respect; provided, that (i) no such amendment may make any change in any option theretofore granted which adversely affects the rights of any Participant and (ii) the Plan may not be amended in any way that will cause rights issued under the Plan to fail to meet the requirements for employee stock purchase plans as defined in Section 423 of the Code or any successor thereto. To the extent necessary to comply with Rule 16b-3 under the Exchange Act, Section 423 of the Code, or any other applicable law or regulation), the Company shall obtain stockholder approval of any such amendment.

19. **Termination of the Plan**. The Plan and all rights of Employees hereunder shall terminate on the earliest of:

(a) the Exercise Date that Participants become entitled to purchase a number of shares greater than the number of reserved shares remaining available for purchase under the Plan;

(b) such date as is determined by the Board in its discretion; or

(c) the tenth anniversary of the Effective Date.

In the event that the Plan terminates under circumstances described in Section 19(a) above, reserved shares remaining as of the termination date shall be sold to Participants on a pro rata basis.

20. **Notices**. All notices or other communications by a Participant to the Company under or in connection with the Plan shall be deemed to have been duly given when received in the form specified by the Company at the location, or by the person, designated by the Company for the receipt thereof.

21. **Effective Date**. Subject to adoption of the Plan by the Board, the Plan shall become effective on the First Offering Date. The Board shall submit the Plan to the stockholders of the Company for approval within 12 months after the date the Plan is adopted by the Board.

22. **Conditions Upon Issuance of Shares**.

(a) The Plan, the grant and exercise of options to purchase shares under the Plan, and the Company's obligation to sell and deliver shares upon the exercise of options to purchase shares shall be subject to compliance with all applicable federal, state and foreign laws, rules and regulations and the requirements of any stock exchange on which the shares may then be listed.

(b) The Company may make such provisions as it deems appropriate for withholding by the Company pursuant to federal or state tax laws of such amounts as the Company determines it is required to withhold in connection with the purchase or sale by a Participant of any Common Stock acquired pursuant to the Plan. The Company may require a Participant to satisfy any relevant tax requirements before authorizing any issuance of Common Stock to such Participant.

23. **Expenses of the Plan**. All costs and expenses incurred in administering the Plan shall be paid by the Company, except that any stamp duties or transfer taxes applicable to participation in the Plan may be charged to the account of such Participant by the Company.

24. **No Employment Rights**. The Plan does not, directly or indirectly, create any right for the benefit of any employee or class of employees to purchase any shares under the Plan, or create in any employee or class of employees any right with respect to continuation of employment by the Company or a Designated Subsidiary, and it shall not be deemed to interfere in any way with the right of the Company or a Designated Subsidiary to terminate, or otherwise modify, an employee's employment at any time.

25. **Applicable Law**. The laws of the state of Delaware shall govern all matter relating to this Plan except to the extent (if any) superseded by the laws of the United States.

26. **Additional Restrictions of Rule 16b-3**. The terms and conditions of options granted hereunder to, and the purchase of shares by, persons subject to Section 16 of the Exchange Act shall comply with the applicable provisions of Rule 16b-3. This Plan shall be deemed to contain, and such options shall contain, and the shares issued upon exercise thereof shall be subject to, such additional conditions and restrictions as may be required by Rule 16b-3 to qualify for the maximum exemption from Section 16 of the Exchange Act with respect to Plan transactions.

Exhibit 10.13

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT executed April 4, 2020 and effective as of the 15th day of January 2020, by and between **AMERICAN OUTDOOR BRANDS CORPORATION**, a Nevada corporation ("Employer"), and **BRIAN D. MURPHY** ("Employee").

WHEREAS, Employer desires to employ Employee as Co-President and Co-Chief Executive Officer, and Employee desires to accept such employment, upon the terms and conditions contained herein.

Employer plans to spin-off (the "Separation") its outdoor products and accessories business to a company now called American Outdoor Brands Spin Co. ("OP&A") but whose name will be changed to American Outdoor Brands, Inc. in connection with the Separation. Employee will resign all positions with American Outdoor Brands Corporation and its subsidiaries and will become the President and Chief Executive Officer of OP&A and serve in such capacity pursuant to the terms of this Agreement upon the Separation.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants set forth in this Agreement, the parties hereto agree as follows:

1. **Employment**.

Employer hereby employs Employee, and Employee hereby accepts such employment, as Co-President and Co-Chief Executive Officer of Employer and of such subsidiaries of Employer as Employer shall designate and in such other capacities and for such other duties and services as shall from time to time be mutually agreed upon by Employer and Employee. Employee shall report to the Board of Directors of Employer.

2. **Full Time Occupation and Other Activities**.

Employee shall devote Employee's entire business time, attention, and efforts to the performance of Employee's duties under this Agreement; shall serve Employer faithfully and diligently; and shall not engage in any other employment or other business activities while employed by Employer. The foregoing limitations shall not be construed as prohibiting Employee from serving as a director of one or more companies provided that (a) such company does not compete, directly or indirectly, with Employer; (b) participation on the board of such company does not significantly interfere with the performance of Employee's responsibilities under this Agreement; (c) participation on the board of such company will not adversely affect the reputation of Employer; (d) such company shall maintain a policy of directors' and officers' liability insurance covering Employee on such terms and conditions and at a level of coverage that the Board of Directors of Employer determines to be reasonable for a company of such size; and (e) such company shall enter into an agreement to indemnify Employee, to the fullest extent permissible under applicable law, for expenses and damages in connection with claims against Employee in connection with service as a director of such company. In addition, the foregoing limitations shall not prohibit Employee from participating in or having an interest in a company as long as it does not interfere with Employee's duties under this Agreement.

3. **Compensation and other Benefits During Term of Employment**.

(a) **Base Salary**. Effective on January 15, 2020, Employer shall pay to Employee a base salary of $500,000 per annum to be paid in equal monthly installments, or in such other periodic installments upon which Employer and Employee shall mutually agree. By action and in the sole discretion of the Board of Directors of Employer or a designated committee of the Board of Directors, the base salary will be subject to annual review and may be increased based on performance of Employer and Employee.

(b) **Bonus**. Employee shall be eligible to participate in executive compensation programs maintained by Employer for its executive personnel. Employee also shall be eligible to receive an annual bonus in such an amount, if any, determined by the Board of Directors of Employer or such committee of the Board of Directors as may be designated by the Board of Directors based upon achievement of performance goals and any other such factors as may be deemed relevant by the Board of Directors or committee thereof, which bonus opportunity shall not be less than 100% of base salary nor more than 200% of base salary beginning in fiscal 2021 and which bonus opportunity for fiscal 2020 shall be based on a salary of $500,000 per annum and be calculated on a pro rata basis for the periods of fiscal 2020 prior to and after which Employee became the Co-President and Co-Chief Executive Officer.

(c) **Stock-Based Compensation and Awards**. Employee may receive annual and periodic stock-based compensation awards, with the amount of such awards granted and the terms and conditions thereof to be determined from time to time by and in the sole discretion of the Board of Directors of Employer or a committee thereof.

(d) **Fringe Benefits**. Employee shall receive a car allowance of $1,500 per month to the date of separation. Employee also shall be entitled to participate in any group insurance, pension, retirement, vacation, expense reimbursement, relocation program, and other plans, programs, and benefits approved by the Board of Directors or a committee designated by the Board of Directors and made available from time to time to executive employees of Employer generally during the term of Employee's employment hereunder. The foregoing shall not obligate Employer to adopt or maintain any particular plan, program, or benefit.

(e) **Vacation**. Employee shall be entitled to a paid vacation in accordance with the applicable policies of Employer in effect from time to time, but not less than four weeks of paid vacation per annum.

(f) **Reimbursement for Business Expenses**. Employer shall reimburse Employee for all travel, entertainment, and other ordinary and necessary business expenses incurred by Employee in connection with the business of Employer and Employee's duties under this Agreement. The term "business expenses" shall not include any item not deductible in whole or in part by Employer for federal income tax purposes. To obtain reimbursement, Employee shall submit to Employer receipts, bills, or sales slips for the expenses incurred. Reimbursements shall be made by Employer monthly within 10 days of presentation by Employee of evidence of the expenses incurred.

(g) **Key Person Insurance**. Employer (or a committee designated by the Board of Directors) and Employee from time to time shall consider a mutually acceptable plan to reimburse Employee for the reasonable premiums (and taxes incident thereto) for a key person term-insurance policy on the life of Employee with such beneficiaries as Employee shall select.

4. **Term of Employment**.

(a) **Employment Term**. The term of this Agreement shall be for a period commencing as of January 15, 2020 and continuing until terminated pursuant to Section 4(b) below.

(b) **Termination Under Certain Circumstances**. Notwithstanding anything to the contrary herein contained:

(i) **Death**. Employee's employment shall be automatically terminated, without notice, effective upon the date of Employee's death.

(ii) **Disability.** If Employee shall fail, for a period of more than 60 consecutive days, or for 90 days within any 180-day period, to perform any of Employee's duties under this Agreement as the result of illness or other incapacity, Employer, at its option and upon written notice to Employee, may terminate Employee's employment effective on the date of that notice.

(iii) **Unilateral Decision of Employer.** Employer, at its option, upon written notice to Employee, may terminate Employee's employment effective on the date of that notice.

(iv) **Unilateral Decision by Employee**. Employee, at Employee's option and upon written notice to Employer, may terminate Employee's employment effective on the date of that notice.

(v) **Certain Acts**. If Employee engages in an act or acts involving a crime, moral turpitude, fraud, or dishonesty, or if Employee willfully violates in a material respect Employer's Corporate Governance Guidelines, Code of Conduct, or Code of Ethics for the CEO and Senior Financial Officers, including, without limitation, the provisions thereof relating to conflicts of interest or related party transactions, Employer, at its option and upon written notice to Employee, may terminate Employee's employment effective on the date of that notice, provided that Employer may not terminate employee pursuant to this provision for a violation of Employer's guidelines or policies unless Employer has first delivered a written demand to Employee that specifically identifies the violation and Employee has failed to cure the violation within 30 days after receiving such written notice.

(vi) **Change in Control**. In the event of a "Change in Control" of Employer (as defined below), Employee, at Employee's option and upon written notice to Employer, may terminate Employee's employment effective on the date of the notice (which shall not constitute a unilateral decision by Employee under Section 4(b)(iv) above) unless (A) the provisions of this Agreement remain in full force and effect as to Employee and (B) Employee suffers no reduction in Employee's status, duties, authority, or compensation following such Change in Control, provided that Employee will be considered to suffer a reduction in Employee's status, duties, authority, if, after the Change in Control, (1) Employee is not the chief executive

officer of the company that succeeds to the business of Employer, (2) such company's common stock is not listed on a national stock exchange (such as the New York Stock Exchange, the Nasdaq National Market, or the American Stock Exchange), or (3) such company terminates Employee or reduces Employee's status, duties, authority, or compensation within one year of the Change in Control.

(c) **Result of Termination**.

(i) Except as otherwise set forth in this Agreement, in the event of the termination of Employee's employment pursuant to Sections 4(b)(i) ("Death"), 4(b)(ii) ("Disability"), 4(b)(iv) ("Unilateral Decision by Employee"), or 4(b)(v) ("Certain Acts") above, Employee shall receive no further compensation under this Agreement.

(ii) In the event of the termination of Employee's employment pursuant to Section 4(b)(iii) ("Unilateral Decision of Employer") above, Employee shall (A) for a period of 18 months after the effective date of the termination, continue to receive Employee's base salary as provided in Section 3(a) above; (B) receive a pro rata portion of Employee's annual cash bonus for the fiscal year in which the termination occurs to the extent earned under the then applicable Executive Annual Cash Incentive Program, such amount to be calculated based on the amount that would have been paid for such full fiscal year in the absence of the termination multiplied by the fraction, the numerator of which is the number of days in such fiscal year prior to the effective date of the termination and the denominator of which is 360 and such amount to be paid in accordance with the provisions of such plan; (C) at Employer's option, either (x) receive coverage under Employer's medical plan to the extent provided for Employee pursuant to Section 3(d) above at the effective date of the termination, such benefits to be received over the period of 18 months after the effective date of the termination, or (y) receive reimbursement for the COBRA premium for such coverage through the earlier of such 18-month period or the COBRA eligibility period; and (D) have vested a pro rata portion of stock-based awards scheduled to vest in the fiscal year of the termination in an amount equal to the amount of such stock-based compensation vesting in such fiscal year multiplied by the fraction, the numerator of which is the number of days in such fiscal year prior to the effective date of the termination and the denominator of which is 360.

(iii) In the event of the termination of Employee's employment pursuant to Section 4(b)(vi) ("Change in Control") above, Employee shall (A) for a period of 18 months after the effective date of the termination, continue to receive Employee's then base salary as provided in Section 3(a) above; (B) receive an amount equal to 150 percent of the average of Employee's cash bonus paid for each of the two fiscal years immediately preceding Employee's termination, such amount to be paid and received over a period of 18 months after the effective date of the termination; (C) receive the car allowance for a period of 18 months after the effective date of the termination; and (D) at Employer's option either (x) receive coverage under Employer's medical plan to the extent provided for Employee pursuant to Section 3(d) above at the effective date of the termination, such benefits to be received over a period of 18 months after the effective date of the termination, or (y) receive reimbursement for the COBRA premium for such coverage through the earlier of such 18-month period or the COBRA eligibility period. In addition, all unvested stock-based compensation held by Employee in his capacity as Employee on the effective date of the termination shall vest as of the effective date of such termination.

(iv) In the event of the termination of Employee's employment pursuant to Sections 4(b)(i) ("Death"), 4(b)(ii) ("Disability"), 4(b)(iii) ("Unilateral Decision of Employer"), or 4(b)(vi) ("Change in Control") above, Employee shall receive, for the fiscal year of the notice of termination, any earned bonus, on a pro-rated basis, based on the performance goals actually achieved for the fiscal year of the notice of termination, as determined in the sole discretion of the Board of Directors of Employer or a designated committee of the Board of Directors, at the time such bonuses are paid to other employees.

All payments by Employer to Employee hereunder are subject to Employee executing Employer's standard release of claims. Any payments made by Employer pursuant to this Section 4(c) shall be paid on a monthly basis beginning on the first payroll date following Employee's Separation from Service within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A"), and not in a lump sum and shall be treated as a series of separate payments for purposes of Section 409A. Employee shall receive no additional compensation following any termination except as provided herein. In the event of any termination, Employee shall resign all positions (including positions on the Board of Directors) with Employer and its subsidiaries. If Employee is a "specified employee" within the meaning of Section 409A, then payments shall not commence until six months following Employee's separation from service to the extent necessary to avoid the imposition of the additional 20% tax under Section 409A (and in the case of installment payments, the first payment shall include all installment payments required by this

subsection that otherwise would have been made during such six-month period). Upon the date such payment would otherwise commence, Employer shall reimburse Employee for such payments, to the extent that such payments otherwise would have been paid by Employer had such payments commenced upon Employee's termination of employment. Any remaining payments shall be provided by Employer in accordance with the schedule and procedures specified herein. This Agreement is intended to satisfy the requirements of Section 409A with respect to amounts subject thereto, and shall be interpreted and construed consistent with such intent. Except as provided otherwise herein, no reimbursement payable to Employee pursuant to any provisions of this Agreement or pursuant to any plan or arrangement of Employer shall be paid later than the last day of the calendar year following the calendar year in which the related expense was incurred, and no such reimbursement during any calendar year shall affect the amounts eligible for reimbursement in any other calendar year, except, in each case, to the extent that the right to reimbursement does not provide for a "deferral of compensation" within the meaning of Section 409A.

(d) **Change in Control**. The term "Change in Control" of Employer shall mean a change in control of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Securities Exchange Act of 1934 as in effect on the date of this Agreement or, if Item 6(e) is no longer in effect, any regulations issued by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934 that serve similar purposes; provided that, without limitation, such a Change in Control shall be deemed to have occurred if and when (i) any person (as such term is used in Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934) becomes the "beneficial owner" (as defined in Rule 13d-3 under the Securities Exchange Act of 1934) directly or indirectly of equity securities of Employer representing 20 percent or more of the combined voting power of Employer's then-outstanding equity securities, except that this provision shall not apply to any person currently owning at least five percent or more of the combined voting power of Employer's currently outstanding equity securities or to an acquisition of up to 20 percent of the then-outstanding voting securities that has been approved by at least 75 percent of the members of the Board of Directors who are not affiliates or associates of such person; (ii) during the period of this Agreement, individuals who, at the beginning of such period, constituted the Board of Directors of Employer (the "Original Directors"), cease for any reason to constitute at least a majority thereof unless the election or nomination for election of each new director was approved (an "Approved Director") by the vote of a Board of Directors constituted entirely of Original Directors and/or Approved Directors; (iii) a tender offer or exchange offer is made whereby the effect of such offer is to take over and control Employer, and such offer is consummated for the equity securities of Employer representing 20 percent or more of the combined voting power of Employer's then-outstanding voting securities; (iv) Employer is merged, consolidated, or enters into a reorganization transaction with another person and, as the result of such merger, consolidation, or reorganization, less than 75 percent of the outstanding equity securities of the surviving or resulting person shall then be owned in the aggregate by the former stockholders of Employer; or (v) Employer transfers substantially all of its assets to another person or entity that is not a wholly owned subsidiary of Employer. Sales of Employer's Common Stock beneficially owned or controlled by Employee shall not be considered in determining whether a Change in Control has occurred.

5. **Competition and Confidential Information**.

(a) **Interests to be Protected**. The parties acknowledge that Employee will perform essential services for Employer, its employees, and its stockholders during the term of Employee's employment with Employer. Employee will be exposed to, have access to, and work with, a considerable amount of Confidential Information (as defined below). The parties also expressly recognize and acknowledge that the personnel of Employer have been trained by, and are valuable to, Employer and that Employer will incur substantial recruiting and training expenses if Employer must hire new personnel or retrain existing personnel to fill vacancies. The parties expressly recognize that it could seriously impair the goodwill and diminish the value of Employer's business should Employee compete with Employer in any manner whatsoever. The parties acknowledge that this covenant has an extended duration; however, they agree that this covenant is reasonable and it is necessary for the protection of Employer, its stockholders, and employees. For these and other reasons, and the fact that there are many other employment opportunities available to Employee if his employment is terminated, the parties are in full and complete agreement that the following restrictive covenants are fair and reasonable and are entered into freely, voluntarily, and knowingly. Furthermore, each party was given the opportunity to consult with independent legal counsel before entering into this Agreement.

(b) **Non-Competition**. During the term of Employee's employment with Employer and for the period of 18 months after the termination of Employee's employment with Employer, regardless of the reason therefor, Employee shall not (whether directly or indirectly, as owner, principal, agent, stockholder, director, officer, manager, employee, partner, participant, or in any other capacity) engage or become financially interested in any competitive business conducted within the Restricted Territory (as defined below). As used herein, the term "competitive business" shall mean any business that sells or provides or attempts to sell or provide products or services the same as or substantially similar to the products or services sold or provided by Employer during Employee's employment hereunder, and the term "Restricted Territory" shall mean any state or other geographical area in which Employer sells products or provides services during Employee's employment hereunder.

(c) **Non-Solicitation of Employees**. During the term of Employee's employment and for a period of 18 months after the termination of Employee's employment with Employer, regardless of the reason therefor, Employee shall not directly or indirectly, for Employee, or on behalf of, or in conjunction with, any other person, company, partnership, corporation, or governmental entity, solicit for employment, seek to hire, or hire any person or persons who is employed by or was employed by Employer within 12 months of the termination of Employee's employment for the purpose of having any such employee engage in services that are the same as or similar or related to the services that such employee provided for Employer.

(d) **Confidential Information**. Employee shall maintain in strict secrecy all confidential or trade secret information relating to the business of Employer (the "Confidential Information") obtained by Employee in the course of Employee's employment, and Employee shall not, unless first authorized in writing by Employer, disclose to, or use for Employee's benefit or for the benefit of, any person, firm, or entity at any time either during or subsequent to the term of Employee's employment, any Confidential Information, except as required in the performance of Employee's duties on behalf of Employer. For purposes hereof, Confidential Information shall include without limitation any materials, trade secrets, knowledge, or information with respect to management, operational, or investment policies and practices of Employer; any business methods or forms; any names or addresses of customers or data on customers or suppliers; and any business policies or other information relating to or dealing with the management, operational, or investment policies or practices of Employer.

(e) **Return of Books, Records, Papers, and Equipment**. Upon the termination of Employee's employment with Employer for any reason, Employee shall deliver promptly to Employer all written and electronic files, lists, books, records, manuals, memoranda, drawings, and specifications; all cost, pricing, and other financial data; all other written or printed materials and computers, cell phones, PDAs, and other equipment that are the property of Employer (and any copies of them); and all other materials that may contain Confidential Information relating to the business of Employer, which Employee may then have in Employee's possession or control, whether prepared by Employee or not.

(f) **Disclosure of Information**. Employee shall disclose promptly to Employer, or its nominee, any and all ideas, designs, processes, and improvements of any kind relating to the business of Employer, whether patentable or not, conceived or made by Employee, either alone or jointly with others, during working hours or otherwise, during the entire period of Employee's employment with Employer or within six months thereafter.

(g) **Assignment**. Employee hereby assigns to Employer or its nominee, the entire right, title, and interest in and to all inventions, discoveries, and improvements, whether patentable or not, that Employee may conceive or make during Employee's employment with Employer, or within six months thereafter, and which relate to the business of Employer.

(h) **Equitable Relief**. In the event a violation of any of the restrictions contained in this Section is established, Employer shall be entitled to preliminary and permanent injunctive relief as well as damages and an equitable accounting of all earnings, profits, and other benefits arising from such violation, which right shall be cumulative and in addition to any other rights or remedies to which Employer may be entitled. In the event of a violation of any provision of subsection (b), (c), (f), or (g) of this Section, the period for which those provisions would remain in effect shall be extended for a period of time equal to that period beginning when such violation commenced and ending when the activities constituting such violation shall have been finally terminated in good faith.

(i) **Restrictions Separable**. If the scope of any provision of this Agreement (whether in this Section 5 or otherwise) is found by a Court to be too broad to permit enforcement to its full extent, then such provision shall be enforced to the maximum extent permitted by law. The parties agree that the scope of any provision of this Agreement may be modified by a judge in any proceeding to enforce this Agreement, so that such provision can be enforced to the maximum extent permitted by law. Each and every restriction set forth in this Section 5 is independent and severable from the others, and no such restriction shall be rendered unenforceable by virtue of the fact that, for any reason, any other or others of them may be unenforceable in whole or in part.

6. **Miscellaneous**.

(a) **Notices**. All notices, requests, demands, and other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been duly given, made, and received (i) if personally delivered, on the date of delivery, (ii) if by facsimile or e-mail transmission, upon receipt, (iii) if mailed, three days after deposit in the United States mail, registered or certified, return receipt requested, postage prepaid, and addressed as provided below, or (iv) if by a courier delivery service providing overnight or "next-day" delivery, on the next business day after deposit with such service addressed as follows:

(1) If to Employer:

1800 North Route 2
Columbia, Missouri 65202
Attention: Chairman of the Board

with a copy given in the manner
prescribed above, to:

Greenberg Traurig, LLP
2375 East Camelback Road—Suite 700
Phoenix, Arizona 85016
Attention: Robert S. Kant, Esq.
Phone: (602) 445-8302
Facsimile: (602) 445-8100
E-Mail: KantR@gtlaw.com

(2) If to Employee:

1800 North Route 2
Columbia, Missouri 65202

With a copy given in the manner prescribed above, to

Charles F. Knapp
Faegre Drinker Biddle & Reath LLP
2200 Wells Fargo Center
90 South Seventh Street
Minneapolis, Minnesota 55402-3901
Phone: (612) 766-8107
E-Mail: chuck.knapp@faegredrinker.com

Either party may alter the address to which communications or copies are to be sent by giving notice of such change of address in conformity with the provisions of this Section 6 for the giving of notice.

(b) **Indulgences; Waivers**. Neither any failure nor any delay on the part of either party to exercise any right, remedy, power, or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power, or privilege preclude any other or further exercise of the same or of any other right, remedy, power, or privilege, nor shall any waiver of any right, remedy, power, or privilege with respect to any occurrence be construed as a waiver of such right, remedy, power, or privilege with respect to any other occurrence. No waiver shall be binding unless executed in writing by the party making the waiver.

(c) **Controlling Law**. This Agreement and all questions relating to its validity, interpretation, performance and enforcement, shall be governed by and construed in accordance with the laws of the state of Massachusetts, notwithstanding any Massachusetts or other conflict-of-interest provisions to the contrary.

(d) **Binding Nature of Agreement; Authority**. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors, and assigns, except that no party may assign or transfer such party's rights or obligations under this Agreement without the prior written consent of the other party. Any decisions by Employer hereunder shall be made by the Board of Directors of Employer or a committee designated by the Board of Directors.

(e) **Execution in Counterpart**. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument. This Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of the parties reflected hereon as the signatories.

(f) **Provisions Separable**. The provisions of this Agreement are independent of and separable from each other, and no provision shall be affected or rendered invalid or unenforceable by virtue of the fact that for any reason any other or others of them may be invalid or unenforceable in whole or in part.

(g) **Entire Agreement**. Except as herein contained, this Agreement contains the entire understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements and understandings, inducements, and conditions, express or implied, oral or written. The express terms hereof control and supersede any course of performance and/or usage of the trade inconsistent with any of the terms hereof. This Agreement may not be modified or amended other than by an agreement in writing.

(h) **Paragraph Headings**. The paragraph headings in this Agreement are for convenience only; they form no part of this Agreement and shall not affect its interpretation.

(i) **Gender**. Words used herein, regardless of the number and gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine, or neuter, as the context requires.

(j) **Number of Days**. In computing the number of days for purposes of this Agreement, all days shall be counted, including Saturdays, Sundays, and holidays; provided, however, that if the final day of any time period falls on a Saturday, Sunday, or holiday, then the final day shall be deemed to be the next day that is not a Saturday, Sunday, or holiday.

7. **Successors and Assigns**.

This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto including OP&A; provided that because the obligations of Employee hereunder involve the performance of personal services, such obligations shall not be delegated by Employee. For purposes of this Agreement successors and assigns shall include, but not be limited to, any individual, corporation, trust, partnership, or other entity that acquires a majority of the stock or assets of Employer by sale, merger, consolidation, liquidation, or other form of transfer. Employer will require any successor (whether direct or indirect, by purchase, merger, consolidation, or otherwise) to all or substantially all of the business and/or assets of Employer to expressly assume and agree to perform this Agreement in the same manner and to the same extent that Employer would be required to perform it if no such succession had taken place. Without limiting the foregoing, Employer shall mean American Outdoor Brands Corporation prior to the Separation and OP&A after the Separation; Board of Directors shall mean the Board of Directors of American Outdoor Brands Corporation prior to the Separation and the Board of Directors of OP&A after the Separation; OP&A will be deemed to have been assigned this Agreement effective on the Separation; and the term “Employer” includes all subsidiaries of Employer.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

AMERICAN OUTDOOR BRANDS CORPORATION

By: */s/ John Furman*
John Furman
Chairman Compensation Committee

/s/ Brian D. Murphy
Brian D. Murphy

AMERICAN OUTDOOR BRANDS, INC.
EXECUTIVE SEVERANCE PAY PLAN

American Outdoor Brands, Inc. (the "Company") hereby establishes the American Outdoor Brands, Inc. Executive Severance Pay Plan (the "Plan"), effective August 24, 2020, for the benefit of the Participating Employees as defined herein.

The Plan is designed to serve as a vehicle for the Company to provide severance pay and certain benefits to a select group of employees designated by the Administrator who (i) are terminated from employment without Good Cause, (ii) resign for Good Reason, (iii) are terminated from employment without Good Cause under certain circumstances incident to a Change in Control or (iv) resign following an Adverse Change in Control Effect. The legal rights and obligations of any Participating Employee shall be determined solely by the provisions of the Plan, as interpreted by the Administrator in the exercise of its sole and absolute discretion.

The Administrator has the sole discretion to determine whether an employee shall be a Participating Employee under the Plan. Nothing in the Plan shall be construed to give any employee any right to continue in the employment of the Company or an Applicable Subsidiary. The Plan is unfunded, has no trustee, and is administered by the Administrator. The Plan is intended to be (i) an employee welfare benefit plan within the meaning of Section 3(1) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and (ii) a "top hat" plan within the meaning of Sections 201(2), 301(a)(3) and 401(a)(1) of ERISA. The Plan is further intended to qualify as a "separation pay plan" under Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations promulgated thereunder and shall be maintained, interpreted, and administered accordingly.

The Plan supersedes all prior severance pay plans and practices, whether formal or informal, written or unwritten, of the Company and its Applicable Subsidiaries with respect to Participating Employees.

1. GENERAL INFORMATION

Plan Name: American Outdoor Brands, Inc. Executive Severance Pay Plan

Plan Sponsor: American Outdoor Brands, Inc.
1800 North Route Z
Columbia, MO 65202
(800) 338-9585

Employer Identification Number: 84-4630928

Type of Plan: Welfare Benefit – Severance Pay Top Hat Plan

Administrator: The Board of Directors of American Outdoor Brands, Inc. or, if the Board of Directors determines, a committee of the Board of Directors of the Company, in each case with respect to all or certain specified provisions of the Plan

Agent for Service of Legal Process: The General Counsel of the Company

Sources of Contributions: The Plan is unfunded, and all benefits are paid from the general assets of the Company and its Applicable Subsidiaries.

Type of Administration: The Plan is administered by the Administrator, with benefits provided in accordance with the provisions of this Plan document, which also constitutes the "Summary Plan Description."

Plan Year: The Plan's fiscal records are kept on a calendar year basis ending December 31.

2. **DEFINITIONS**

(1) "**Adverse Change in Control Effect**" means, during a Potential Change in Control Protection Period or Change in Control Protection Period, without the Participating Employee's written consent, (i) any material reduction in the Participating Employee's annual base compensation or target bonus percentage opportunity, (ii) any material adverse change in a Participating Employee's positions, titles, duties, responsibilities, or reporting relationships compared to the Participating Employee's positions, titles, duties, responsibilities, or reporting relationships immediately prior to a Potential Change in Control (if such diminution occurs during the Potential Change in Control Protection Period) or Change in Control (if such diminution occurs during the Change in Control Protection Period) or (iii) a relocation of the Participating Employee's principal place of business more than 50 miles from the facility in which the Participating Employee was last providing services.

(2) "**Affiliate**" means (a) any entity that, directly or indirectly, is controlled by, controls or is under common control with the Company and (b) any entity in which the Company has a significant equity interest, in either case as determined by the Administrator.

(3) "**Applicable Subsidiary**" means the subsidiary of the Company that is the employer of the Participating Employee on the effective date of the Participating Employee's termination or resignation.

(4) "**Change in Control**" means the occurrence of any of the following events:

(i) during any period of 24 consecutive calendar months, individuals who were directors of the Company on the first day of such period (the "Incumbent Directors") cease for any reason to constitute a majority of the Board; provided, however, that any individual becoming a director subsequent to the first day of such period whose election, or nomination for election, by the Company's stockholders was approved by a vote of at least a majority of the Incumbent Directors shall be deemed to be an Incumbent Director, but excluding, for purposes of this proviso, any such individual whose initial assumption of office occurs as a result of an actual or threatened proxy contest with respect to election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a "person" (as used in Section 13(d) of the Exchange Act) (a "Person");

(ii) the consummation of a merger or similar form of corporate transaction involving (x) the Company or (y) any of its Subsidiaries (but in the case of this clause (y) only if Company Voting Securities (as defined below) are issued or issuable) or the sale or other disposition of all or substantially all the assets of the Company to an entity that is not an Affiliate (each of the foregoing events being hereinafter referred to as a "Reorganization"), in each case, unless, immediately following such Reorganization, all or substantially all the Persons who were the "beneficial owners" (as used in Rule 13d-3 under the Exchange Act (or any successor rule thereto)) of the securities eligible to vote for the election of the Board ("Company Voting Securities") outstanding immediately prior to the consummation of such Reorganization continue to beneficially own, directly or indirectly, as a result of beneficially owning such Company Voting Securities, more than 50% of the combined voting power of the then outstanding voting securities of the corporation or other entity resulting from such Reorganization in substantially the same proportions as their ownership, immediately prior to the consummation of such Reorganization, of the outstanding Company Voting Securities; or

(iii) any Person or "group" (as used in Section 13(d) of the Exchange Act) becomes the beneficial owner, directly or indirectly, of securities of the Company representing 30% or more of the combined voting power of the Company Voting Securities; provided, however, that for purposes of this subparagraph (iii), any acquisition pursuant to a Reorganization that does not constitute a Change in Control for purposes of subparagraph (ii) above shall not be a Change in Control.

(5) "**Change in Control Protection Period**" means the period commencing on the date a Change in Control occurs and ending on the first anniversary of such date.

(6) "**COBRA**" means the continuation coverage requirements for "group health plans" under Title X of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, and as codified in Code Section 4980B and ERISA Sections 601 through 608, each as amended from time to time, including rules thereunder and successor provisions and rules thereto.

(7) "**Days**" means calendar days, including weekends and holidays, unless specified as "business days."

(8) "**Good Cause**" means the Participating Employee engaging in an act or acts involving a crime, moral turpitude, fraud, or dishonesty; the Participating Employee willfully taking any action that may be materially injurious to the business or reputation of the Company and its Applicable Subsidiaries; or the Participating Employee willfully violating in a material respect the Company's Corporate Governance Guidelines, Code of Conduct and Ethics, or any other applicable code of conduct, all as may be amended from time to time, including, without limitation, provisions thereof relating to conflicts of interest or related party transactions.

(9) "**Good Reason**" means the uncured occurrence of any of the following events without the Participating Employee's written consent (i) the Company or Applicable Subsidiary in any material respect reduces the Participating Employee's duties, authority, or base compensation or (ii) the Participating Employee is required to relocate the Participating Employee's principal place of business more than 50 miles from the facility in which the Participating Employee was last providing services.

(10) "**Participating Employee**" means (i) such persons who are appointed by the Board of Directors of the Company as Executive officers of the Company and are not covered by a separate employment agreement, severance agreement, change in control agreement, or similar agreement covering such executive officer's severance and (ii) such other persons, if any, who shall be designated by the Administrator as Participating Employees under the Plan.

(11) "**Potential Change in Control**" means (i) the Company enters into an agreement, the consummation of which would result in the occurrence of a Change in Control, (ii) the Company or any person publicly announces an intention to take or to consider taking actions which, if consummated, would constitute a Change in Control or (iii) the Board of Directors of the Company adopts a resolution to the effect that, for purposes of this Plan, a Potential Change in Control has occurred.

(12) "**Potential Change in Control Protection Period**" means the period beginning upon the occurrence of a Potential Change in Control and ending upon the earliest to occur of (i) the consummation of the Change in Control or (ii) the abandonment of the transaction or series of transactions that constitute a Potential Change in Control (as determined by the Administrator in its sole discretion).

(13) "**Release**" means a Separation and General Release Agreement in a form acceptable to the Company, which must in all events be executed without modification and in its entirety, and without timely revocation, as set forth below; provided, however, that the form of the Release applicable following a Change in Control shall be established by the Administrator immediately prior to the Change in Control and such form may not thereafter be modified.

3. **ELIGIBILITY**

The Participating Employees are those persons designated by the Administrator from time to time. The Participating Employee shall be entitled to the severance benefits described in the Plan only if the Participating Employee (i) is terminated from employment without Good Cause, (ii) resigns for Good Reason, (iii) is terminated from employment without Good Cause under certain circumstances incident to a Change in Control or (iv) resigns following an Adverse Change in Control Effect, but only to the extent such Participating Employee (x) resigns from all offices and positions with the Company and any Applicable Subsidiary that the Participating Employee holds as of termination of employment, (y) returns to the Company all property of the Company or any Applicable Subsidiary that has come into the Participating Employee's possession and (z) is employed on a full time basis and not on a leave of absence on the date of the Participating Employee's termination or resignation unless otherwise approved by the Company in writing or required by applicable law. In addition, the Company's obligations under the Plan are contingent upon the Participating Employee executing (and not revoking during any applicable revocation period) or violating any provision of a valid and enforceable full and unconditional Release of any claims the Participating Employee may have against the Company or any of its Affiliates, whether known or unknown, as of the effective date of the Participating Employee's termination. The Company shall present the Release to the Participating Employee within 10 Days of the date that the Participating Employee or the Company (or Applicable Subsidiary) receives a notice of termination from the other party (or within 10 Days of the date the Participating Employee is terminated by the Company or Applicable Subsidiary without notice), and the Participating Employee shall have up to 45 Days following the Participating Employee's receipt of the Release to consider whether to execute the Release. In the event the Participating Employee executes the Release, the Participating Employee shall have an additional eight Days from the date of its execution in which to expressly revoke execution of the Release in writing.

Without limiting the foregoing, a Participating Employee may resign for Good Reason or following an Adverse Change in Control Effect only if the Company or an Applicable Subsidiary does not cure the circumstances giving rise to the Good Reason or the Adverse Change in Control Effect within 60 Days from the date the Participating Employee delivers a written notice describing the circumstances giving rise to the Good Reason or the Adverse Change in Control Effect. Such notice must be received by the Company (or Applicable Subsidiary) or its successor within 30 Days of the date on which the Participating Employee becomes aware of the occurrence of such condition.

In the event that the Participating Employee (i) fails to execute the Release within the 45 Day period described above or (ii) formally revokes execution of the Release within eight Days of execution of the Release, the Participating Employee's entitlement to Plan benefits shall be null and void and, to the extent that the Participating Employee has received any payments or benefits or the proceeds of any benefits received under the Plan (A) prior to the Participating Employee's failure to execute the Release within the 45 Day period or (B) prior to revocation, the Participating Employee shall immediately reimburse the Company for any and all such payments or benefits or the proceeds

of any benefits received, including reimbursement of any gains realized on the exercise of any stock options, and/or the proceeds of any other equity-based awards, if any, that vested as of the effective date of the Participating Employee's termination pursuant to the Plan, and the Company shall immediately cancel all unexercised stock options and other equity-based awards, if any, that vested as of the effective date of the Participating Employee's termination pursuant to the Plan. In addition, the Company's obligations and all payments under the Plan shall cease if the Participating Employee makes any written or oral statement or takes any action that the Participating Employee knows or reasonably should know constitutes an untrue, disparaging, or negative comment to a third-person concerning the Company or its Affiliates.

4. **RESULT OF TERMINATION WITHOUT GOOD CAUSE OR RESIGNATION FOR GOOD REASON**

In the event that the Company or an Applicable Subsidiary terminates a Participating Employee without Good Cause (other than due to death or disability) or a Participating Employee resigns for Good Reason, the Participating Employee shall be eligible to receive the following from the Company or the Applicable Subsidiary:

(a) The Participating Employee's base salary for a period of the greater of (i) 26 weeks or (ii) the period designated for the Participating Employee by the Administrator, in each case following the effective date of such termination or resignation;

(b) At the same time as cash incentive bonuses are received by the Company's or the Applicable Subsidiary's other executives, a pro rata portion of the Participating Employee's annual cash bonus for the fiscal year in which the termination occurs to the extent earned under the then applicable Executive Annual Cash Incentive Program in which the Participating Employee participates, such amount to be calculated based on the amount that would have been paid for such fiscal year in the absence of the termination multiplied by the fraction, the numerator of which is the number of days in such fiscal year prior to the effective date of the termination and the denominator of which is 360 and such amount to be paid in accordance with the provisions of such plan; and

(c) In the event the Participating Employee elects continuation coverage pursuant to COBRA for the Participating Employee and his or her eligible dependents under the group health or other welfare insurance plans maintained by the Company, the Company shall reimburse the Participating Employee for the cost of such coverage during the period in clause (a) above as and when premiums are due.

The amounts the Participating Employee is eligible to receive under (a) above shall be received in accordance with the Company's or the Applicable Subsidiary's regular payroll schedule commencing on the first such payment date coincident with or following the Participating Employee's "separation from service" from the Company within the meaning of Section 409A of the Code, and shall be treated as a series of separate payments under Treasury Regulation Section 1.409A-2(b)(2)(iii). The amounts the Participating Employee is eligible to receive under (b) above, if any, shall be paid no later than March 15 of the calendar year following the year to which the bonus applies and would otherwise be earned.

5. **RESULT OF A TERMINATION WITHOUT GOOD CAUSE DURING POTENTIAL CHANGE IN CONTROL PROTECTION PERIOD OR CHANGE IN CONTROL PROTECTION PERIOD OR RESIGNATION UPON ADVERSE CHANGE IN CONTROL EFFECT**

In the event that (i) during a Potential Change in Control Protection Period or Change in Control Protection Period, the Company or an Applicable Subsidiary terminates a Participating Employee without Good Cause (other than due to death or disability) or (ii) a Participating Employee resigns following an Adverse Change in Control Effect, the Participating Employee shall be eligible to receive the following from the Company or the Applicable Subsidiary:

(a) The Participating Employee's base salary for a period of the greater of (i) 52 weeks or (ii) the period designated for the Participating Employee by the Administrator, in each case following the effective date of such termination or resignation;

(b) A lump sum equal to the average of the Participating Employee's cash bonus paid for each of the two fiscal years immediately preceding the Participating Employee's termination or resignation;

(c) All unvested equity-based compensation held by the Participating Employee at the time of termination or resignation that was granted to the Participating Employee after the effective date of this Plan in his or her capacity as an employee of the Company or an Applicable Subsidiary shall vest as of the effective date of the termination or resignation; provided, however, that this paragraph (c) shall not apply to any equity-based compensation award, the terms of which state that it is not subject to acceleration under this Plan; and

(d) In the event the Participating Employee elects continuation coverage pursuant to COBRA for the Participating Employee and his or her eligible dependents under the group health or other welfare insurance plans maintained by the Company, the Company shall reimburse the Participating Employee for the cost of such coverage during the period in clause (a) above as and when premiums are due.

The amounts the Participating Employee is eligible to receive under (a) above shall be received by the Participating Employee in accordance with the Company's or the Applicable Subsidiary's regular payroll schedule commencing on the first such payment date coincident with or following the Participating Employee's "separation from service" from the Company within the meaning of Section 409A of the Code and shall be treated as a series of separate payments under Treasury Regulations Section 1.409A-2(b)(2)(iii). The amount the Participating Employee is eligible to receive under (b) above, if any, shall be paid promptly, but no more than 30 Days, following the Participating Employee's termination or resignation.

6. **COMPLIANCE WITH AGREEMENTS**

All benefits under the Plan are contingent on the Participating Employee's full compliance with any and all non-competition, non-solicitation, and similar agreements by which Participating Employee was bound on the effective date of the Participating Employee's termination or resignation.

7. **NON-COMPETITION**

During the term of Participating Employee's employment with Employer and for the period equal to the longer of six months after the termination of Employer's employment with Employer regardless of the reason therefore, or the period during which Participating Employee receives cash severance pursuant to this Agreement, Participating Employee shall not (whether directly or indirectly, as owner, principal, agent, stockholder, director, officer, manager, employee, partner, participant, or in any other capacity) engage or become financially interested in any competitive business conducted within the Restricted Territory (as defined below). As used herein, the term "competitive business" shall mean any business that sells or provides or attempts to sell or provide products or services the same as or substantially similar to the products or services sold or provided by Employer during Participating Employee's employment, and the term "Restricted Territory" shall mean any state or other geographical area in which Employer sells produces or provides services during Participating Employee's employment.

8. **NON-SOLICITATION OF PARTICIPATING EMPLOYEE**

For a period of 12 months after the termination of Participating Employee's employment with Employer, regardless of the reason therefor, Participating Employee shall not directly or indirectly, for Participating Employee, or on behalf of, or in conjunction with, any other person, company, partnership, corporation, or governmental entity, solicit for employment, seek to hire, or hire any person or persons who is employed by or was employed by Employer within 12 months of the termination of Participating Employee's employment for the purpose of having any such employee engage in services that are the same as or similar or related to the services that such employee provided for Employer.

9. **CONFIDENTIAL INFORMATION**

Participating Employee shall maintain in strict secrecy all confidential or trade secret information relating to the business of Employer (the "Confidential Information") obtained by Participating Employee in the course of Participating Employee's employment, and Participating Employee shall not, unless first authorized in writing by Employer, disclose to, or use for Participating Employee's benefit or for the benefit of, any person, firm, or entity at any time either during or subsequent to the term of Participating Employee's employment, any Confidential Information, except as required in the performance of Participating Employee's duties on behalf of Employer. For purposes hereof, Confidential Information shall include without limitation any materials, trade secrets, knowledge, or information with respect to management, operational, or investment policies and practices of Employer; any business methods or forms; any names or addresses of customers or data on customers or supplies; and any business policies or other information relating to or dealing with the management, operational, or investment policies or practices of Employer.

10. **RETURN OF BOOKS, RECORDS, PAPERS, AND EQUIPMENT**

Upon the termination of Participating Employee's employment with Employer for any reason, Participating Employee shall deliver promptly to Employer all files, lists, books, records, manuals, memoranda, drawings, and specifications; all cost, pricing, and other financial data; all other written or printed materials and computers, cell phones, PDAs, and other equipment that are the property of Employer (and any copies of them); and all other materials that may contain Confidential Information relating to the business of Employer, which Participating Employee may then have in Participating Employee's possession or control whether prepared by Participating Employee or not.

11. **DISCLOSURE OF INFORMATION**

Participating Employee shall disclose promptly to Employer, or its nominee, any and all ideas, designs, processes, and improvements of any kind relating to the business of Employer, whether patentable or not, conceived or made by Participating Employee, either alone or jointly with others, during working hours or otherwise, during the entire period of Participating Employee's employment with Employer or within six months thereafter.

12. **REMEDIES**

In addition to any other relief to which the Company or any of its Affiliates may be entitled, including claims for damages, the Company or any of Affiliates will be entitled to seek and obtain injunctive relief (without the requirement of any bond) from a court of competent jurisdiction for the purpose of restraining the Participating Employee from an actual or threatened breach of the covenants described in the immediately preceding section of the Plan (under the heading "Non-Competition and Non-Solicitation"). Notwithstanding anything else to the contrary herein, in the event of any material violation by the Participating Employee of such covenants or the Release as determined by a court of competent jurisdiction, the Company and Affiliates will immediately have no obligation thereafter to make any payments or provide any benefits otherwise to be received under the Plan to the Participating Employee and the Company and its Affiliates, in its or their discretion, may require the Participating Employee to promptly reimburse the Company for any and all payments or benefits received by the Participating Employee pursuant to the Plan, including reimbursement of any gains realized on the exercise of any stock options, and/or the proceeds of any other equity-based awards, if any, that vested as of the effective date of the Participating Employee's termination pursuant to the Plan, and the Company shall immediately cancel all unexercised stock options and other equity-based awards, if any, that vested as of the effective date of the Participating Employee's termination pursuant to the Plan.

13. **WITHHOLDING**

The Company or an Applicable Subsidiary shall have the authority to withhold or to cause to have withheld applicable taxes from any payments made under or in accordance with the Plan to the extent required by law.

14. **EFFECT OF INVALIDITY OF ANY PROVISION**

If any provision of the Plan is held invalid or unenforceable, such invalidity or unenforceability will not affect any other provision hereof, and such provision will, to the extent possible, be modified in such manner as to be valid and enforceable but so as to most nearly retain the intent of the Company. If such modification is not possible, the Plan will be construed and enforced as if such provision had not been included in the Plan.

15. **RECORDS**

The records of the Company with respect to employment history, base salary, absences, and all other relevant matters will be conclusive for all purposes of the Plan.

16. **NONTRANSFERABILITY**

In no event will the Company make any payment under the Plan to any assignee or creditor of the Participating Employee, except as otherwise required by law. Prior to the time of a payment hereunder, the Participating Employee will have no rights by way of anticipation or otherwise to assign or otherwise dispose of any right or interest under the Plan, nor will rights be assigned or transferred by operation of law.

17. **RECOUPMENT POLICY**

Any payments or benefits that the Participating Employee receives pursuant to the Plan are and will be subject to any compensation claw-back or recoupment policies of the Company, whether now or in the future existing, that are intended or designed to comply with applicable law or governmental regulations that may be applicable to the Participating Employee, as in effect from time to time and as approved by the Board of Directors of the Company or a duly authorized committee thereof (whether or not approved before or after the establishment of the Plan), or as may be required by law.

18. **PLAN ADMINISTRATION**

The Administrator will be the sole judge of the application and interpretation of the Plan and will have the discretionary authority to construe the provisions of the Plan, resolve disputed issues of fact, and make determinations regarding eligibility for benefits (other than determinations under the "Eligibility" section above to the extent they are reserved to the Company). Such determinations with respect to a Participating Employee's rights or benefits shall be entitled to the maximum deference permitted by law. The Administrator may correct any defect, reconcile any inconsistency, or supply any omission with respect to the Plan. The decisions of the Administrator in all matters relating to the Plan that are within the scope of the Administrator's authority (including, but not limited to, eligibility for benefits, Plan interpretations, and disputed issues of fact) will be final and binding on all parties. Notwithstanding the foregoing, from and after a Change in Control, the Plan Administrator shall be deemed to be one or more members of the Board of Directors of the Company as of immediately prior to such Change in Control or their designees (which may not include any counterparty to such Change in Control, its directors, officers, employees or designees).

The Administrator may delegate to any person or persons, severally or jointly, the responsibility for the preparation and filing of all disclosure material and reports that the Administrator is required to file by law, and the responsibility for the day-to-day operation of the Plan. The Administrator, subject to the provisions of the Plan, may adopt such rules and regulations as it deems necessary to carry out the provisions of the Plan.

The Plan shall be construed as administered and enforced in accordance with ERISA and the laws of the Commonwealth of Massachusetts, as applicable.

19. **AMENDMENT AND TERMINATION OF THE PLAN**

The Company, the Administrator, or its or their designees shall have the right, power, and authority to amend the Plan, in whole or in part, or discontinue or terminate the Plan at any time; provided, however, that without a Participating Employee's written approval any such amendment, discontinuance, or termination shall not (i) remove a Participating Employee from the Plan, (ii) negatively modify the eligibility or benefit provisions of the Plan or (iii) negatively affect the rights of any individual who, prior to the date of such amendment, discontinuance, or termination, has been designated as a Participating Employee hereunder.

20. **MISCELLANEOUS**

The provisions of Appendix A, B, and C are incorporated into the Plan and shall be deemed a part hereof.

The Company hereby agrees that the Plan shall be binding upon it and its successors and assigns.

Date:_____ AMERICAN OUTDOOR BRANDS, INC.

By:_____

The undersigned Participating Employee agrees that the Plan shall be binding upon the undersigned once the undersigned personal authorizes.

Date:_____ _____

Printed Name_____

_____

Signature

SECTION 409A OF THE CODE

Specified Employee. Notwithstanding any provision of this Plan to the contrary, if the Participating Employee is a "specified employee" as defined in Section 409A of the Code, the Participating Employee shall not be entitled to any payments or benefits the right to which provides for a "deferral of compensation" within the meaning of Section 409A, and whose payment or provision is triggered by the Participating Employee's termination of employment (whether such payments or benefits are provided to the Participating Employee under this Plan or under any other plan, program or arrangement of the Company), until (and any payments or benefits suspended hereby shall be paid in a lump sum on) the earlier of (i) the date which is the first business day following the six-month anniversary of the Participating Employee's "separation from service" (within the meaning of Section 409A of the Code) for any reason other than death or (ii) the Participating Employee's date of death, and such payments or benefits that, if not for the six-month delay described herein, would be due and payable prior to such date shall be made or provided to the Participating Employee on such date. The Company shall make the determination as to whether the Participating Employee is a "specified employee" in good faith in accordance with its general procedures adopted in accordance with Section 409A of the Code and, at the time of the Participating Employee's "separation of service" will notify the Participating Employee whether or not the Participating Employee is a "specified employee." All payments under the Plan shall be treated as a series of separate payments under Treasury Regulations Section 1.409A-2(b)(2)(iii).

General. This Plan is intended to qualify for an exemption to the requirements of Section 409A of the Code, specifically the separation pay plan exemption and/or short-term deferral exemption (the "409A Exemptions") with respect to any amounts payable hereunder, and shall be interpreted and construed consistent with such intent to the maximum permissible. To the extent that any portion of the Plan and/or any amounts payable hereunder do not qualify under the 409A Exemptions, then such portion of the Plan is intended to satisfy the requirements of Section 409A of the Code with respect to amounts subject thereto and shall be interpreted and construed consistent with such intent; provided, however, that, notwithstanding the other provisions of this subsection and the paragraph above entitled, "Specified Employee", with respect to any right to a payment or benefit hereunder (or portion thereof) that does not otherwise provide for a "deferral of compensation" within the meaning of Section 409A of the Code, it is the intent of the Company that such payment or benefit will not so provide. For purposes of applying the exemptions and/or provisions of Section 409A to this Plan, as well as determining which amounts payable hereunder qualify for the 409A Exemptions (i) each separately identified amount to which a Participating Employee is entitled under this Plan shall be treated as a separate payment under Treasury Regulations Section 1.409A-2(b)(2)(iii), and (ii) to the extent permissible under Section 409A, any series of installment payments under this Plan shall be treated as a right to a series of separate payments. Furthermore, if the Company or any interested party notifies the other in writing that, based on the advice of legal counsel, one or more of the provisions of this Plan contravenes any regulations or Treasury guidance promulgated under Section 409A of the Code or causes any amounts to be subject to interest or penalties under Section 409A of the Code, the parties shall promptly and reasonably consult with each other (and with their legal counsel), and shall use their reasonable best efforts, to reform the provisions hereof to (a) maintain to the maximum extent practicable the original intent of the applicable provisions without violating the provisions of Section 409A of the Code or increasing the costs to the Company of providing the applicable benefit or payment, and (b) to the extent practicable, to avoid the imposition of any tax, interest or other penalties under Section 409A of the Code upon the Participating Employee or the Company.

CLAIMS PROCEDURE

Each Participating Employee who has been determined to be eligible to receive benefits under the Plan may contest the administration of the benefits (but not the level of benefits) by completing and filing a written claim for reconsideration with the Administrator. If the Administrator denies a claim in whole or in part, it will provide notice to the Participating Employee, in writing, within 90 Days after the claim is filed, unless the Administrator determines that an extension of time for processing is required. In the event that the Administrator determines that such an extension is required, written notice of the extension shall be furnished to the Participating Employee prior to the termination of the initial 90 Day period. The extension shall not exceed a period of 90 Days from the end of the initial period of time, and the extension notice shall indicate the special circumstances requiring an extension of time and the date by which the Administrator expects to render the benefit decision.

The written notice of a denial of a claim shall set forth, in a manner calculated to be understood by the Participating Employee, including the following:

1. the specific reason or reasons for the denial;
2. reference to the specific Plan provisions on which the denial is based;
3. a description of any additional material or information necessary for the Participating Employee to perfect the claim and an explanation as to why such information is necessary; and
4. an explanation of this Claims Procedure and the time limits applicable under it, including a statement of the Participating Employee's right to bring a civil action under section 502(a) of ERISA following an adverse benefit determination on appeal.

The Participating Employee or the Participating Employee's duly authorized representative shall have an opportunity to appeal a claim denial to the Administrator for a full and fair review. The Participating Employee or the Participating Employee's duly authorized representative may do the following:

1. request a review upon written notice to the Administrator within 60 Days after receipt of a notice of the denial of a claim for benefits;
2. submit written comments, documents, records, and other information relating to the claim for benefits; and
3. examine the Plan and obtain, upon request and without charge, copies of all documents, records, and other information relevant to the Participating Employee's claim for benefits.

The Administrator's review shall take into account all comments, documents, records, and other information submitted by the Participating Employee relating to the claim, without regard to whether such information was submitted or considered by the Administrator in the initial benefit determination. A determination on review by the Administrator will be made not later than 60 Days after receipt of a request for review, unless the Administrator determines that an extension of time for processing is required. In the event that the Administrator determines that such an extension is required, written notice of the extension shall be furnished to the Participating Employee prior to the termination of the initial 60-Day period. The extension shall not exceed a period of 60 Days from the end of the initial period and the extension notice shall indicate the special circumstances requiring an extension of time and the date on which the Administrator expects to render the determination on review.

The written determination of the Administrator shall set forth, in a manner calculated to be understood by the terminated Participating Employee, the following:

1. the specific reason or reasons for the decision;
2. reference to the specific Plan provisions on which the decision is based;
3. the Participating Employee's right to receive, upon request and without charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claim for benefits; and
4. a statement of the Participating Employee's right to bring a civil action under section 502(a) of ERISA.

A Participating Employee may not bring an action for any alleged wrongful denial of benefits under the Plan in a court of law unless the Claims Procedure set forth above is exhausted and a final determination is made by the Administrator. A Participating Employee wishing to seek judicial review of an adverse benefit determination under the Plan, whether in whole or in part, must file any suit or legal action, including, without limitation, a civil action under Section 502(a) of ERISA, no later than the earlier of (i) one year after the date the final decision on the adverse benefit determination on review is issued or should have been issued under this Claims Procedure, and (ii) the last Day on which such legal action could be commenced under the applicable statute of limitations under ERISA (including, for this purpose, any applicable state statute of limitations that applies under ERISA to such legal action). Failure to file a suit or legal action by the applicable deadline set forth in the prior sentence shall cause the Participating Employee to lose any rights to bring such action.

If the Participating Employee or other interested person challenges a decision of the Administrator, a review by the court of law will be limited to the facts, evidence, and issues presented to the Administrator during the Claims Procedure set forth above. Facts and evidence that become known to the Participating Employee or other interested person after having exhausted the Claims Procedure must be brought to the attention of the Administrator for reconsideration of the claims determination. Issues not raised with the Administrator will be deemed waived.

APPENDIX C

The following sets forth certain provisions applicable to the undersigned Participating Employee when alternatives could apply:

Section 4(a)	Salary continuation period:	26 weeks
Section 5(a)	Salary continuation period in event of change in control	52 weeks
Section 7	Non-Competition period	six months
Section 8	Non-Solicitation period	12 months

Exhibit 10.15

INDEMNIFICATION AGREEMENT

This INDEMNIFICATION AGREEMENT (as amended from time to time, this "Agreement"), is made and entered into this __ day of __, 20__ (the "Effective Date"), by and between American Outdoor Brands, Inc., a Delaware corporation (together with its successors and assigns, the "Corporation"), and the undersigned ("Indemnitee").

WHEREAS, it is essential to the Corporation that it be able to retain and attract as directors and officers the most capable individuals available;

WHEREAS, increased corporate litigation has subjected directors and officers to litigation risks and expenses, and the limitations on the availability and terms and conditions of directors and officers liability insurance have made it increasingly difficult for the Corporation to attract and retain as directors and officers the most capable individuals available;

WHEREAS, the Corporation's certificate of incorporation (as amended or amended and restated from time to time, the "Certificate of Incorporation"), provides that a director of the Corporation shall not be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty except to the extent that such exemption from liability or limitation thereof is not permitted by the General Corporation Law of the State of Delaware (the "General Corporation Law");

WHEREAS, the Corporation's bylaws (as amended or amended and restated from time to time, the "Bylaws"), provide for the indemnification of and advancement of expenses to the Corporation's directors and officers under certain circumstances;

WHEREAS, under the General Corporation Law, the Certificate of Incorporation and the Bylaws are not exclusive and the Corporation is permitted to make other or additional indemnification and advancement agreements;

WHEREAS, to promote the Corporation's ability to attract and retain qualified individuals to serve as directors and officers of the Corporation, the Corporation maintains, and will continue to attempt to maintain, directors' and officers' liability insurance to protect the Corporation's directors and officers from certain liabilities;

WHEREAS, the Corporation desires that Indemnitee serve or continue to serve, as applicable, as a director and/or officer, as applicable, of the Corporation;

WHEREAS, to further promote the Corporation's ability to attract and retain qualified individuals to serve as directors and officers of the Corporation, the Corporation desires to provide Indemnitee with specific contractual assurance of Indemnitee's rights to indemnification and advancement of expenses to protect against litigation risks and expenses (regardless, among other things, of any change in the ownership of the Corporation or the composition of the Board of Directors); and

WHEREAS, Indemnitee is relying upon the rights afforded under this Agreement in accepting service or continuing to serve, as applicable, in Indemnitee's position as a director and/or officer, as applicable, of the Corporation.

NOW, THEREFORE, in consideration of the promises and the covenants contained herein and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Corporation and Indemnitee do hereby covenant and agree as follows:

1. Definitions.

(a) "Board of Directors" shall mean the Board of Directors of the Corporation.

(b) "Change in Control" shall mean (i) any merger, consolidation, share exchange or business combination involving the Corporation or any Subsidiary (as defined below), (ii) any sale, lease, exchange, transfer or other disposition in a single transaction or a series of related transactions, of fifteen percent (15%) or more of the assets of the Corporation and the Subsidiaries, taken as a whole, (iii) any issuance, purchase or sale of shares of capital stock or other securities representing fifteen percent (15%) or more of the voting power of the capital stock or other securities of the Corporation or any Subsidiary, including, without limitation, by way of tender or exchange offer, in a single transaction or a series of related transactions, (iv) any liquidation, dissolution or winding up of the Corporation, or (v) any change in the composition of a majority of the Board of Directors in a single transaction or a series of related transactions, unless, in each case, such transaction described in subsections (i)—(v) hereof was adopted and approved by the members of the Board of Directors (or new or additional members of the Board of Directors nominated or approved by such directors) in office at the Effective Date.

(c) "Corporate Status" describes the status of an individual who is serving or has served (i) as a director or officer of the Corporation, (ii) in any capacity or service with respect to any employee benefit plan of the Corporation or any one or more of the Subsidiaries, (iii) as a director, officer, manager, general partner, trustee, employee, or agent of any Subsidiary at the request of the Corporation while a director or officer of the Corporation, or (iv) as a director, officer, manager, general partner, trustee, employee, or agent of any other Entity at the request of the Corporation while a director or officer of the Corporation.

(d) "Court of Chancery" shall mean the Court of Chancery of the State of Delaware.

(e) "Entity" (and more than one, "Entities") shall mean any corporation, limited liability company, partnership (including, without limitation, any general, limited or limited liability partnership), joint venture, trust, enterprise, non-profit entity, foundation, association, organization or other legal entity.

(f) "Expenses" shall mean all fees, costs and expenses reasonably incurred in connection with any Proceeding (as defined below) or any claim, issue or matter involved in any Proceeding, including, without limitation, reasonable attorneys' fees, disbursements and retainers, fees, costs, expenses and disbursements of experts or expert witnesses, private investigators and professional advisors (including, without limitation, accountants and investment bankers), court costs, transcript costs, travel expenses (including, without limitation, the travel expenses of experts or expert witnesses, private investigators and professional advisors), duplicating, printing and binding costs, telephone and fax transmission charges, postage, delivery services, secretarial services and other disbursements and expenses.

(g) "Liabilities" shall mean liabilities, judgments, damages, losses, penalties, excise taxes, fines and amounts paid in settlement.

(h) "Proceeding" shall mean any threatened, pending or completed claim, action, suit, proceeding, litigation, arbitration, mediation, alternate dispute resolution process, investigation, administrative hearing, or appeal, whether civil, criminal, administrative, arbitrative or investigative, whether formal or informal, including, without limitation, a judicial proceeding initiated by Indemnitee pursuant to Section 11 of this Agreement to enforce Indemnitee's rights under this Agreement.

(i) "Subsidiary" (and more than one, "Subsidiaries") shall mean any Entity in which the Corporation owns (beneficially or of record) at least fifty percent (50%) of the voting power of the capital stock or other securities of such Entity.

2. Services of Indemnitee. In consideration of the Corporation's covenants and obligations hereunder, Indemnitee agrees to serve or continue to serve, as applicable, as a director and/or officer, as applicable, of the Corporation. This Agreement, however, shall not impose any obligation on Indemnitee or the Corporation to continue Indemnitee's service to the Corporation beyond any period otherwise required by applicable law or by other agreements or commitments of Indemnitee or the Corporation, if any.

3. Agreement to Indemnify and Hold Harmless. Subject to the exceptions contained in Section 4 of this Agreement, if Indemnitee is or was a party to, or is or was threatened to be made a party to, or is or was otherwise involved (as a deponent, witness or otherwise) in, any Proceeding or any claim, issue or matter involved in any Proceeding by reason of Indemnitee's Corporate Status, Indemnitee shall, to the fullest extent permitted by applicable law, be indemnified and held harmless by the Corporation against all Expenses and Liabilities actually and reasonably incurred or paid by or on behalf of Indemnitee in connection with such Proceeding or such claim, issue or matter (referred to herein as "Indemnifiable Expenses" and "Indemnifiable Liabilities," respectively, and collectively as "Indemnifiable Amounts").

4. Exceptions to Indemnification. Indemnitee shall be entitled to the indemnification provided in Section 3 of this Agreement in all circumstances other than the following:

(a) If indemnification is sought by Indemnitee under Section 3 of this Agreement and it has been adjudicated finally by a court of competent jurisdiction evidenced by a final nonappealable order that, in connection with any Proceeding or any claim, issue or matter involved in any Proceeding out of which the claim for indemnification hereunder has arisen, (i) Indemnitee failed to act in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Corporation, or (ii) with respect to any criminal Proceeding, Indemnitee had reasonable cause to believe that Indemnitee's conduct was unlawful, Indemnitee shall not be entitled to indemnification of Indemnifiable Amounts hereunder with respect to such Proceeding or such claim, issue or matter, as applicable;

(b) If indemnification is sought by Indemnitee under Section 3 of this Agreement and it has been adjudicated finally by a court of competent jurisdiction evidenced by a final nonappealable order that Indemnitee is liable to the Corporation with respect to any Proceeding by or in the right of the Corporation to procure a judgment in its favor by reason of Indemnitee's Corporate Status or any claim, issue or matter involved in any such Proceeding out of which the claim for indemnification under this Agreement has arisen, Indemnitee shall not be entitled to Indemnifiable Amounts under this Agreement with respect to such Proceeding or such claim, issue or matter, as applicable, unless the Court of Chancery or the court in which such Proceeding was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnity for such Indemnifiable Amounts which the Court of Chancery or such other court shall deem proper; and

(c) If indemnification is sought by Indemnitee under Section 3 of this Agreement and the Corporation reasonably determines that indemnification of Indemnitee would violate the securities laws of the United States.

For purposes of this Section 4, including, without limitation and to the fullest extent permitted by applicable law, in the court adjudication contemplated by this Section 4, Indemnitee shall be deemed to have acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Corporation, or with respect to any criminal Proceeding, without reasonable cause to believe that Indemnitee's conduct was unlawful, if Indemnitee's act or omission is based, in good faith, upon (i) the records of the Corporation, (ii) such information, opinions, reports or statements presented to the Corporation, the Board of Directors or any committee of the Board of Directors by any of the Corporation's officers, employees, directors, other committees of the Board of Directors, legal counsel, professional advisors, experts or any other person as to matters Indemnitee reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Corporation, and/or (iii) such information, opinions, reports or statements presented to an Entity for which Indemnitee has Corporate Status or such Entity's officers, employees, directors, committees of such Entity's board of directors, managers, general partners, trustees, legal counsel, professional advisors, experts or any other person as to matters Indemnitee reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of such Entity.

5. Procedure for Indemnification of Indemnifiable Amounts.

(a) Indemnitee shall, following the final adjudication by a court of competent jurisdiction evidenced by a final nonappealable order, submit to the Corporation a written claim specifying the Indemnifiable Amounts for which Indemnitee seeks indemnification under Section 3 of this Agreement and the basis for such claim. At the reasonable request of the Corporation, Indemnitee shall furnish such documentation and information as are reasonably available to Indemnitee and necessary to establish that Indemnitee is entitled to indemnification hereunder, and the Corporation shall pay any fees, costs and expenses, including, without limitation, reasonable attorneys' fees, disbursements and retainers, duplicating, printing and binding costs, telephone and facsimile transmission charges, postage, delivery services, secretarial services and other disbursements and expenses actually and reasonably incurred by Indemnitee in furnishing such documentation and information. Notwithstanding the foregoing, Indemnitee shall not be required to furnish documentation or information where the provision of such documentation or information by Indemnitee reasonably could be expected to (i) result in the loss of the attorney-client privilege or similar privilege or protection, (ii) be prohibited by applicable law, or (iii) be prohibited by the terms of any agreement to which Indemnitee is a party.

(b) Subject to Section 4 of this Agreement, the Corporation shall pay such Indemnifiable Amounts to Indemnitee within thirty (30) calendar days after receipt of such written claim.

6. Indemnification for Expenses of a Participant. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is or was, by reason of his Corporate Status, a participant (as a deponent, witness or otherwise) in any Proceeding to which Indemnitee is or was not a party or is or was not threatened to be made a party, Indemnitee shall be indemnified as provided in Section 3 of this Agreement.

7. Indemnification for Expenses of a Party Who is Wholly or Partly Successful.

(a) Notwithstanding any other provision of this Agreement, and without limiting any such provision, to the extent that Indemnitee is or was, by reason of Indemnitee's Corporate Status, a party to and is or was successful, on the merits or otherwise, as to any Proceeding or any claim, issue or matter involved in any Proceeding, Indemnitee shall be indemnified against all Expenses actually and reasonably incurred with respect to such Proceeding or such claim, issue or matter, as applicable. In furtherance and not in limitation of the foregoing, and by way of further explanation, if Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters involved in such Proceeding, the Corporation shall indemnify Indemnitee against all Expenses with respect to each successfully resolved claim, issue or matter.

(b) For purposes of this Section 7, "successful" shall, to the fullest extent permitted by applicable law, include, but not be limited to, (i) a termination, withdrawal or dismissal (with or without prejudice) of any Proceeding or any claim, issue or matter involved in any Proceeding, without any express finding of liability or guilt against Indemnitee, (ii) the expiration of one hundred twenty (120) days after the making of any claim or threat of any Proceeding without the institution of same and without the entering into of any settlement or compromise with respect to such claim or threat, or (iii) the entering into of any settlement or compromise with respect to any Proceeding or any claim, issue or matter involved in any Proceeding pursuant to which Indemnitee is obligated to pay or is found liable for an amount less than $15,000.

8. Effect of Certain Resolutions; Waiver of Right of Contribution Against Indemnitee. Neither the termination of any Proceeding or any claim, issue or matter involved in any Proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contedere* or its equivalent, nor the failure of the Corporation to award indemnification or to determine that indemnification is payable, shall create a presumption that Indemnitee is not entitled to indemnification under this Agreement. The Corporation hereby waives, to the fullest extent permitted by applicable law, any right of contribution that it may have against Indemnitee with respect to any Proceeding or any claim, issue or matter involved in any Proceeding in which the Corporation and Indemnitee are jointly liable.

9. Agreement to Advance Expenses; Conditions. The Corporation shall pay to Indemnitee, all Expenses actually and reasonably incurred by Indemnitee in connection with any Proceeding or any claim, issue or matter involved in any Proceeding, including, without limitation, a Proceeding by or in the right of the Corporation and a Proceeding to enforce indemnification and advancement rights under this Agreement, in advance of the final disposition of such Proceeding or such claim, issue or matter, if Indemnitee furnishes the Corporation with a written undertaking to repay the amount of such Expenses advanced to Indemnitee if it is finally determined by a court of competent jurisdiction evidenced by a final nonappealable order that Indemnitee is not entitled under Section 3 of this Agreement to indemnification with respect to such Expenses. To the fullest extent permitted by applicable law, such undertaking shall be an unlimited general obligation of Indemnitee, shall be accepted by the Corporation without regard to the financial ability of Indemnitee to make repayment, and shall in no event be required to be secured.

10. Procedure for Advancement of Expenses. Indemnitee shall submit to the Corporation a written claim specifying the Expenses for which Indemnitee seeks advancement under Section 9 of this Agreement, and the basis for such claim, together with documentation evidencing that Indemnitee has actually and reasonably incurred such Expenses. Notwithstanding the foregoing, Indemnitee shall not be required to furnish documentation or information where the provision of such documentation or information by Indemnitee reasonably could be expected to (i) result in the loss of the attorney-client privilege or similar privilege or protection, (ii) be prohibited by applicable law, or (iii) be prohibited by the terms of any agreement to which Indemnitee is a party. The Corporation shall advance such Expenses to Indemnitee or on behalf of Indemnitee within thirty (30) calendar days after receipt of such written claim and documentation.

11. Remedies of Indemnitee.

(a) Right to Petition Court. In the event that Indemnitee submits to the Corporation a written claim for indemnification of Indemnifiable Amounts under Sections 3 and 5 of this Agreement or submits to the Corporation a written claim for advancement of Expenses under Sections 9 and 10 of this Agreement, and the Corporation fails to make such indemnification or advancement, as applicable, pursuant to the terms of this Agreement, Indemnitee may petition the Court of Chancery to enforce the Corporation's obligations under this Agreement.

(b) Burden of Proof. In any judicial proceeding brought under Section 11(a) of this Agreement, the Corporation shall have the burden of proving that Indemnitee is not entitled to indemnification of Indemnifiable Amounts or advancement of Expenses, as applicable, under Section 3 of this Agreement.

(c) Expenses. The Corporation agrees to reimburse Indemnitee in full for any Expenses actually and reasonably incurred by Indemnitee in connection with investigating, preparing for, litigating, defending, prosecuting or settling any judicial proceeding brought by Indemnitee under Section 11(a) of this Agreement, except where such judicial proceeding or any claim, issue or matter involved therein is adjudicated finally by a court of competent jurisdiction evidenced by a final nonappealable order in favor of the Corporation.

(d) Validity of Agreement. The Corporation shall be precluded from asserting in any Proceeding, including, without limitation, any judicial proceeding under Section 11(a) of this Agreement, that the provisions of this Agreement are not valid, binding and enforceable or that there is insufficient consideration for this Agreement and shall stipulate in such judicial proceeding that the Corporation is bound by all the provisions of this Agreement.

(e) Failure to Act Not a Defense. The failure of the Corporation (including, without limitation, the Board of Directors or any committee thereof, independent legal counsel, or the Corporation's stockholders) to make a determination concerning the permissibility of the indemnification of Indemnifiable Amounts shall not be a defense in any judicial proceeding brought under Section 11(a) of this Agreement, and shall not create a presumption that such indemnification is not permissible under this Agreement.

12. Notice By Indemnitee; Defense of the Underlying Proceeding.

(a) Notice by Indemnitee. Indemnitee agrees to notify the Corporation promptly in writing upon being served with any summons, citation, subpoena, complaint, indictment, information, or other document relating to any Proceeding or any claim, issue or matter involved in any Proceeding which may result in the indemnification of Indemnifiable Amounts or the advancement of Expenses under this Agreement; provided, however, that the failure to give any such notice shall not disqualify Indemnitee from the right, or otherwise affect in any manner any right of Indemnitee, to receive indemnification of Indemnifiable Amounts or advancement of Expenses under this Agreement, except to the extent the Corporation is materially prejudiced thereby.

(b) Defense by Corporation. Subject to the provisions of the last sentence of this Section 12(b) and of Section 12(c) of this Agreement, the Corporation shall have the right to defend Indemnitee in any Proceeding or any claim, issue or matter involved in any Proceeding which may give rise to the indemnification of Indemnifiable Amounts under this Agreement; provided, however, that the Corporation shall notify Indemnitee of any such decision to defend within ten (10) calendar days of the Corporation's receipt of notice of any such Proceeding or such claim, issue or matter under Section 12(a) of this Agreement. The Corporation shall not, without the prior written consent of Indemnitee, consent to the entry of any judgment against Indemnitee or enter into any settlement or compromise which (i) includes an admission of fault of Indemnitee, or (ii) does not include, as an unconditional term thereof, the full release of Indemnitee from all liability in respect of such Proceeding or such claim, issue or matter, which release shall be in form and substance reasonably satisfactory to Indemnitee. This Section 12(b) shall not apply to a Proceeding or any claim, issue or matter involved in a Proceeding brought by Indemnitee under Section 11(a) of this Agreement or pursuant to Section 20 of this Agreement.

(c) Indemnitee's Right to Counsel. Notwithstanding the provisions of Section 12(b) of this Agreement, (i) if in a Proceeding or a claim, issue or matter involved in a Proceeding to which Indemnitee is a party by reason of Indemnitee's Corporate Status, (A) Indemnitee reasonably concludes that he or she may have separate defenses or counterclaims to assert with respect to such Proceeding or such claim, issue or matter which are inconsistent with the position of other defendants in such Proceeding or such claim, issue or matter, as applicable, or (B) a conflict of interest or potential conflict of interest exists between Indemnitee and the Corporation, or (ii) if the Corporation fails to assume the defense of such Proceeding or such claim, issue or matter in a timely manner, Indemnitee shall be entitled to be represented by separate legal counsel, which shall represent other persons similarly situated, of Indemnitee's and such other persons' choice and reasonably acceptable to the Corporation at the expense of the Corporation. In addition, if the Corporation fails to comply with any of its obligations under this Agreement or in the event that the Corporation or any other Entity or individual takes any action to declare this Agreement void or unenforceable, or institutes any Proceeding or any claim, issue or matter involved in any Proceeding to deny or to recover from Indemnitee the benefits intended to be provided to Indemnitee under this Agreement, except with respect to any Proceeding or any claim, issue or matter involved in any Proceeding that is resolved in favor of the Corporation, Indemnitee shall have the right to retain counsel of Indemnitee's choice, at the expense of the Corporation, to represent Indemnitee in connection with any such matter.

(d) Consent to Judgment or Settlement or Compromise by Indemnitee. Indemnitee shall not, without the prior written consent of the Corporation (which consent shall not be unreasonably withheld or delayed), consent to the entry of any judgment against Indemnitee or consent to or enter into any settlement or compromise with respect to any Proceeding or any claim, issue or matter involved in any Proceeding with respect to which the Corporation may have indemnification or advancements obligations to Indemnitee under this Agreement. The Corporation shall have no obligation to indemnify Indemnitee under this Agreement with respect to any Proceeding or any claim, issue or matter involved in any Proceeding for which a judgment, settlement or compromise is consented to or entered into by Indemnitee without the prior written consent of the Corporation (which consent shall not be unreasonably withheld or delayed).

13. Representations and Warranties of the Corporation. The Corporation hereby represents and warrants to Indemnitee as follows:

(a) Authority. The Corporation has all necessary power and authority to enter into, and be bound by the terms of, this Agreement, and the execution, delivery and performance of the undertakings contemplated by this Agreement have been duly authorized by the Corporation.

(b) Enforceability. This Agreement, when executed and delivered by the Corporation in accordance with the provisions hereof, shall be a legal, valid and binding obligation of the Corporation, enforceable against the Corporation in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, moratorium, reorganization or similar laws affecting the enforcement of creditors' rights generally or equitable principles.

14. Insurance. The Corporation shall, to the maximum extent available, cover Indemnitee under any insurance policy secured for the directors and officers of the Corporation or any other Entity for which Indemnitee has Corporate Status.

15. Contract Rights Not Exclusive. The rights to indemnification of Indemnifiable Amounts and advancement of Expenses provided by this Agreement shall be in addition to, but not exclusive of, any other rights which Indemnitee may have at any time under applicable law or the Certificate of Incorporation or Bylaws, or any other agreement, vote of stockholders or directors (or a committee of directors), or otherwise, both as to action (or inaction) in Indemnitee's official capacity and as to action (or inaction) in any other capacity as a result of Indemnitee's serving as a director and/or officer, as applicable, of the Corporation.

16. Successors. This Agreement shall be (a) binding upon all successors and assigns of the Corporation (including, without limitation, to the fullest extent permitted by applicable law, any transferee of all or a substantial portion of the business, stock and/or assets of the Corporation and any direct or indirect successor to the Corporation by merger or consolidation or otherwise by operation of law), and (b) binding on and shall inure to the benefit of the heirs, personal representatives, executors and administrators of Indemnitee. To the fullest extent permitted by applicable law, the Corporation shall cause any successor to the business, stock and/or assets of the Corporation or the direct or indirect successor to the Corporation by merger or consolidation or otherwise by operation of law to assume and agree to perform this Agreement in the same manner as if no such succession had taken place. This Agreement shall continue for the benefit of Indemnitee and the heirs, personal representatives, executors and administrators of Indemnitee after Indemnitee has ceased to have Corporate Status.

17. Other Sources; Subrogation. The Corporation's obligation to indemnify or advance expenses to Indemnitee, if any, under this Agreement shall be reduced by the amount Indemnitee may receive, as indemnification or advancement of expenses from any other Entities or individuals or any insurance policy. In the event of any indemnification of Indemnifiable Amounts or advancement of Expenses by the Corporation under this Agreement, the Corporation shall, to the fullest extent permitted by applicable law, be subrogated to the extent of such indemnification or advancement to all of the rights of contribution or recovery of Indemnitee against other Entities or individuals and have a right of contribution against such other Entities or individuals, and, in furtherance thereof, Indemnitee shall take, at the request of the Corporation, all reasonable action necessary to secure such rights, including, without limitation, securing the execution and delivery by such other Entities or individuals of an agreement as to the division of indemnification and advancement liabilities as between such other Entities or individuals and the Corporation, in a manner reasonably acceptable to the Corporation prior to the payment by the Corporation of any such Indemnifiable Amounts or Expenses and/or the execution and delivery of such documents as are reasonably necessary to enable the Corporation to bring any action, suit or proceeding to enforce such rights.

18. Governing Law; Consent to Jurisdiction. This Agreement shall be governed by and construed and enforced under the laws of the State of Delaware, without giving effect to the provisions thereof relating to conflicts of law. To the fullest extent permitted by applicable law, the Corporation and Indemnitee hereby (a) irrevocably consent and submit to the personal jurisdiction of the Court of Chancery, (b) waive any claim of improper venue or any claim that the Court of Chancery is an inconvenient forum and (c) appoint, to the extent that it or he/she is not otherwise subject to service of process in the State of Delaware, Registered Agent Solutions, Inc. (or such other registered agent at such other registered office in the State of Delaware listed in the records of the Secretary of State of the State of Delaware as the Corporation's agent for service of process in the State of Delaware), as agent for service of process in the State of Delaware. To the fullest extent permitted by applicable law, the Corporation and Indemnitee hereby agree that the mailing of process and other papers in connection with any such judicial proceeding in the manner provided in Section 22 of this Agreement or in such other manner as may be permitted by applicable law, shall be valid and sufficient service thereof.

19. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement, or any clause thereof, shall be determined by a court of competent jurisdiction to be illegal, invalid or unenforceable, in whole or in part, such provision or clause shall be limited or modified in its application to the minimum extent necessary to make such provision or clause valid, legal and enforceable, and the remaining provisions and clauses of this Agreement shall remain fully enforceable and binding on the Corporation and Indemnitee.

20. Indemnitee as Plaintiff. Notwithstanding any other provision of this Agreement, but except as provided in Section 11 of this Agreement and in the next sentence, Indemnitee shall not be entitled to indemnification of Indemnifiable Amounts or advancement of Expenses with respect to any Proceeding or any claim, issue or matter involved in any Proceeding brought by Indemnitee against the Corporation, any Subsidiary, or any director, manager, general partner or officer of the Corporation or any such Subsidiary, prior to a Change in Control, unless the commencement of such Proceeding or such claim, issue or matter by Indemnitee was authorized in the specific case by the Board of Directors. This Section 20 shall not apply to (a) affirmative defenses asserted by Indemnitee or any compulsory counterclaims required to be made by Indemnitee in any Proceeding or with respect to any claim, issue or matter involved in any Proceeding brought against Indemnitee, or (b) any Proceeding or any claim, issue or matter involved in any Proceeding brought by Indemnitee against the Corporation, any Subsidiary, or any director, manager, general partner or officer of the Corporation or any such Subsidiary, from and after a Change in Control.

21. Modification and Waiver. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both the Corporation and Indemnitee. Notwithstanding any other provision of this Agreement or any provision of applicable law to the contrary, to the fullest extent permitted by applicable law, no supplement, modification or amendment of this Agreement shall adversely affect any right or protection of Indemnitee in respect of any act or omission occurring prior to the time of such supplement, modification or amendment. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions of this Agreement (whether or not similar), nor shall such waiver constitute a continuing waiver.

22. General Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given (a) when delivered by hand, (b) when transmitted by facsimile or email and receipt is acknowledged, or (c) if mailed by certified or registered mail with postage prepaid, on the third (3rd) business day after the date on which it is so mailed, in each case, to such address as may have been furnished by any party to the other party.

23. Termination. This Agreement shall terminate as of the later of (a) ten (10) years after Indemnitee ceases to serve as a director and/or officer, as applicable, of the Corporation, or (b) one (1) year after the final adjudication by a court of competent jurisdiction evidenced by a final non-appealable order with respect to any Proceeding or any claim, issue or matter involved in any Proceeding in respect of which Indemnitee is granted rights of indemnification of Indemnifiable Amounts or advancement of Expenses under this Agreement.

24. Counterparts. This Agreement may be executed in one or more counterparts (including, without limitation, by facsimile or email transmission that includes a copy of the sending party's signature), in which event, all of said counterparts shall be deemed to be originals of this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have made and entered into this Indemnification Agreement as of the Effective Date.

THE CORPORATION:

AMERICAN OUTDOOR BRANDS, INC.

Name:
Title:

INDEMNITEE:

Name:

Exhibit 10.16

LOAN AND SECURITY AGREEMENT

by and among

AOB PRODUCTS COMPANY
and
CRIMSON TRACE CORPORATION
(as Borrowers)

and

AMERICAN OUTDOOR BRANDS, INC.
BATTENFELD ACQUISITION COMPANY INC.
BTI TOOLS, LLC
ULTIMATE SURVIVAL TECHNOLOGIES, LLC
and
AOBC ASIA CONSULTING, LLC
(as Guarantors)

and

TD BANK, N.A.
(as a Lender and as Agent)

and

THE LENDERS FROM TIME TO TIME HERETO
(as Lenders)

August 24, 2020

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LOAN AND SECURITY AGREEMENT

This LOAN AND SECURITY AGREEMENT (this "Agreement"), dated August 24, 2020, is entered into by and among AOB PRODUCTS COMPANY, a corporation organized under the laws of the State of Missouri ("AOB Products"), CRIMSON TRACE CORPORATION, a corporation organized under the laws of the State of Oregon ("Crimson"; and together with AOB Products and any other Person that at any time after the date hereof becomes a Borrower, each a "Borrower" and collectively, the "Borrowers"), AMERICAN OUTDOOR BRANDS, INC., a corporation organized under the laws of the State of Delaware ("Parent"), BATTENFELD ACQUISITION COMPANY INC, a corporation organized under the laws of the State of Delaware ("Battenfeld"), BTI TOOLS, LLC, a limited liability company organized under the laws of the State of Delaware ("BTI"), ULTIMATE SURVIVAL TECHNOLOGIES, LLC, a limited liability company organized under the laws of the State of Delaware ("UST"), AOBC ASIA CONSULTING, LLC, a limited liability company organized under the laws of the State of Delaware ("AOBC Asia"; and together with Parent, Battenfeld, BTI, UST and any other Person that at any time after the date hereof becomes a Guarantor, each a "Guarantor" and collectively, the "Guarantors"), the lenders which are now or which hereafter become a party hereto (each a "Lender" and collectively, the "Lenders") and TD BANK, N.A., a national banking association (in its individual capacity, "TD Bank"), in its capacity as agent (TD Bank, in such capacity, "Agent") for Secured Parties (as hereinafter defined).

IN CONSIDERATION of the mutual covenants and undertakings herein contained, Loan Parties, Lenders and Agent hereby agree as follows:

1. DEFINITIONS.

1.1 Accounting Terms.

As used in this Agreement, the Note(s), any Other Document, or any certificate, report or other document made or delivered pursuant to this Agreement, accounting terms not defined in Section 1.2 or elsewhere in this Agreement and accounting terms partly defined in Section 1.2 to the extent not defined, shall have the respective meanings given to them under GAAP.

1.2 General Terms.

For purposes of this Agreement the following terms shall have the following meanings:

"Accountants" shall have the meaning set forth in Section 9.7.

"Accounts" shall mean and include as to each Loan Party and each of its Subsidiaries, all of such Loan Party's and Subsidiary's "accounts" as defined in the UCC, whether now owned or hereafter acquired including, without limitation all present and future rights of such Loan Party to payment of a monetary obligation, whether or not earned by performance, which is not evidenced by chattel paper or an instrument, (a) for property that has been or is to be sold, leased, licensed, assigned, or otherwise disposed of, (b) for services rendered or to be rendered, (c) for a secondary obligation incurred or to be incurred, or (d) arising out of the use of a credit or charge card or information contained on or for use with any such card.

"Acquisition Pro Forma" shall have the meaning set forth in the definition of Permitted Acquisition.

"Adjusted LIBOR Rate" shall mean for the Interest Period for each LIBOR Rate Loan comprising part of the same borrowing (including conversions, extensions and renewals), a per annum interest rate determined pursuant to the following formula:

$$\text{Adjusted LIBOR Rate} = \frac{\text{LIBOR}}{1 - \text{LIBOR Reserve Percentage}}$$

"Administrative Loan Party" shall mean Parent, in its capacity as Administrative Loan Party on behalf of itself and the other Borrowers pursuant to Section 2.18 hereof, and its successors and assigns in such capacity.

"Advances" shall mean the Revolving Advances (including without limitation the Protective Advances) and Swingline Loan Advances, or any of them as the context implies.

"Advance Rates" shall mean the lending formula percentages set forth in the definition of Borrowing Base.

"Affiliate" of any Person shall mean (a) any Person (other than a Subsidiary) which, directly or indirectly, is in control of, is controlled by, or is under common control with such Person, or (b) any Person who is a director, manager or officer (i) of such Person, (ii) of any Subsidiary of such Person or (iii) of any Person described in clause (a) above. For purposes of this definition, control of a Person shall mean the power, direct or indirect, (A) to vote ten (10%) percent or more of the Equity Interests having ordinary voting power for the election of directors or managers (or other comparable body) of such Person, or (B) to direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

"Affiliate Counterparty" shall mean a Person who is an Affiliate of Agent at the time such Person entered into any Hedging Agreement.

"Agent" shall have the meaning set forth in the preamble to this Agreement and shall include its successors and assigns.

"Agreement" shall mean this Loan and Security Agreement, as amended, restated, modified and supplemented from time to time.

"Agreement Regarding Licensed Products and Other Inventory" shall mean the Agreement Regarding Licensed Products and Other Inventory dated on or about the date hereof, among Smith & Wesson Brands, Inc. and Agent and acknowledged by AOB Products and Crimson.

"Ammunition" shall mean complete rounds/cartridges or their components, bullets, shells or other projectiles, cartridge cases, primers/caps and other propellants and ammunition used in connection with any Firearm.

"Applicable Margin" for each type of Advance shall mean, at any time:

(a) subject to clause (b) below, the applicable percentage (on a per annum basis) set forth in the chart below for Base Rate Loans and for LIBOR Rate Loans, respectively, that will result, in accordance with such chart, if the Quarterly Average Excess Availability for the immediately preceding calendar quarter is in an amount within the range indicated in the chart below for such percentage:

Tier	Quarterly Average Excess Availability	Applicable Margin for Base Rate Loans	Applicable Margin for LIBOR Rate Loans
I	Greater than or equal to 50% of the Line Cap	0.75%	1.75%
II	Greater than 25% of the Line Cap but less than 50% of the Line Cap	1.00%	2.00%
III	Equal to or less than 25% of the Line Cap	1.25%	2.25%

(b) Notwithstanding anything to the contrary set forth in clause (a) above, (i) from the Closing Date through and including December 31, 2020, the Applicable Margin for the interest rate for Base Rate Loans and for LIBOR Rate Loans shall be the applicable percentage calculated based on the percentage set forth in Tier II set forth above, and for each calendar quarter thereafter, the interest rate will be adjusted quarterly thereafter, on the first (1st) day of each calendar quarter, based on the Quarterly Average Excess Availability and the chart set forth above, (ii) the Applicable Margin shall be calculated and established once each calendar quarter, based upon the Quarterly Average Excess Availability for the immediately preceding calendar quarter and shall remain in effect until adjusted thereafter (if applicable) at the beginning of the next calendar quarter, and (iii) each adjustment of the Applicable Margin shall be effective as of the first (1st) day of a calendar quarter based on the Quarterly Average Excess Availability for the immediately preceding calendar quarter. In the event that at any time after the end of a calendar quarter the Quarterly Average Excess Availability for the prior calendar quarter used for the determination of the Applicable Margin of such recently ended calendar quarter was less than the actual amount of the Quarterly Average Excess Availability for such prior calendar quarter, the Applicable Margin of such recently ended calendar quarter shall be adjusted to the applicable percentage based on such actual Quarterly Average Excess Availability , as determined by Agent, and any additional interest for the applicable period as a result of such recalculation shall be promptly paid to Agent.

"Anti-Corruption Laws" means the FCPA, the U.K. Bribery Act of 2010, as amended, and all other applicable laws and regulations or ordinances concerning or relating to bribery, money laundering or corruption in any jurisdiction in which any Loan Party or any of its Subsidiaries or Affiliates is located or is doing business.

"Anti-Money Laundering Laws" means the applicable laws or regulations in any jurisdiction in which any Loan Party or any of its Subsidiaries or Affiliates is located or is doing business that relates to money laundering, any predicate crime to money laundering, or any financial record keeping and reporting requirements related thereto.

"Approved Fund" shall mean (a) any fund, trust or similar entity that invests in commercial loans in the ordinary course of business and is advised or managed by (i) a Lender, (ii) a Controlled Affiliate of a Lender, (iii) the same investment advisor that manages a Lender or (iv) a Controlled Affiliate of an investment advisor that manages a Lender or (b) any finance company, insurance company or other financial institution which temporarily warehouses loans for any Lender or any Person described in clause (a) above.

"Authority" shall have the meaning set forth in Section 4.18(d).

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

"Bail-In Legislation" means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

"Bank Product Agreement" shall mean those agreements entered into from time to time by any Loan Party or its Subsidiaries with a Bank Product Provider in connection with the obtaining of any of the Bank Products.

"Bank Product" shall mean any service or facility extended to any Loan Party by a Bank Product Provider including: (a) credit cards, (b) debit cards, (c) purchase cards, (d) credit card, debit card and purchase card processing services, (e) treasury, cash management or related services (including the Automated Clearing House processing of electronic funds transfers through the direct Federal Reserve Fedline system), (f) cash management, including controlled disbursement, accounts or services, (g) return items, netting, overdraft and interstate depositary network services or (h) Hedging Agreements.

"Bank Product Obligations" shall mean all obligations, liabilities, contingent reimbursement obligations, fees, and expenses owing by any Loan Party to a Bank Product Provider pursuant to or evidenced by the Bank Product Agreements and irrespective of whether for the payment of money, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, and including all such amounts that any Loan Party is obligated to reimburse to a Bank Product Provider as a result of such Person purchasing participations or executing indemnities or reimbursement obligations with respect to the Bank Products provided to any Loan Party pursuant to the Bank Product Agreements.

"Bank Product Provider" shall mean (a) TD Bank or any of its Affiliates or (b) any Lender or any Affiliate of any Lender (in each case as to any Lender or any Affiliate of any Lender, to the extent approved by Agent in its Permitted Discretion) that provides any Bank Products to any Loan Party.

"Bankruptcy Code" shall have the meaning set forth in Section 2.16(a).

"Base Rate" shall mean, for any day (or if such day is not a Business Day, the immediately preceding Business Day), a rate per annum (rounded upward, if necessary, to the next 1/100th of one (1%) percent) equal to the greater of (a) the greater of (i) one-half of one percent (0.50%) and (ii) the Prime Rate, and (b) the greater of (i) one-half of one percent (0.50%) and (ii) the Federal Funds Effective Rate in effect on such day plus one-half of one percentage point (0.50%). If Agent shall have determined in its reasonable discretion (which determination shall be conclusive absent manifest error) that it is unable to ascertain the Federal Funds Effective Rate for any reason, including the inability or failure of Agent to obtain sufficient quotations in accordance with the terms of the definition thereof, the Base Rate shall be determined without regard to clause (b) of the preceding sentence until the circumstances giving rise to such inability no longer exist. Any change in the Base Rate due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective on the effective date of such change in the Prime Rate or the Federal Funds Effective Rate, respectively. The term "Federal Funds Effective Rate" shall mean, for any period, a fluctuating interest rate per annum equal, for each day during such period, to the weighted average of the rates on overnight Federal Funds transactions with members of the Federal Reserve System arranged by Federal Funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not published for any day that is a Business Day, the average of the quotations for such day on such transactions received by Agent from three Federal Funds brokers of recognized standing selected by Agent.

"Base Rate Loan" shall mean any Advance that bears interest based upon the Base Rate.

"Benchmark Replacement" shall have the meaning set forth in Section 3.9.

"Benchmark Replacement Adjustment" shall have the meaning set forth in Section 3.9.

"Benchmark Replacement Conforming Changes" shall have the meaning set forth in Section 3.9.

"Benchmark Replacement Date" shall have the meaning set forth in Section 3.9.

"Benchmark Transition Event" shall have the meaning set forth in Section 3.9.

"Benchmark Transition Start Date" shall have the meaning set forth in Section 3.9.

"Benchmark Unavailability Period" shall have the meaning set forth in Section 3.9.

"Benefited Lender" shall have the meaning set forth in Section 2.12(f).

"Blocked Accounts" shall have the meaning set forth in Section 4.14(h).

"Borrower" or "Borrowers" shall have the meanings set forth in the preamble to this Agreement and shall extend to all permitted successors and assigns of such Persons.

"Borrowers' Account" shall have the meaning set forth in Section 2.7.

"Borrowing Base" shall mean, at any time, the amount equal to:

(a) eighty-five (85%) percent multiplied by the face amount of Eligible Accounts, plus

(b) the amount equal to the lesser of (i) sixty-five (65%) percent of the Value of the Eligible Inventory and (iii) eighty-five (85%) percent of the Net Liquidation Percentage multiplied by the Value of the Eligible Inventory, minus

(c) Reserves;

provided, however, that the aggregate amount of Eligible Inventory included in the Borrowing Base on any given date pursuant to clauses (b) above shall not exceed sixty-five (65%) percent of Borrowing Base as of such date.

"Borrowing Base Certificate" shall mean a certificate duly executed by a Responsible Officer of Administrative Loan Party appropriately completed and in substantially the form of Exhibit A, as such form may from time to time be modified by Agent (in consultation with Administrative Loan Party) in a manner consistent with the terms of this Agreement.

"Business Day" shall mean any day other than a Saturday, Sunday or other day on which commercial banks under the laws of the State of New York, the State of New Jersey or the State of New Hampshire are authorized or required by law to close, and, if the applicable Business Day relates to any LIBOR Rate Loan, a day on which dealings are carried on in the London interbank market.

"Capital Expenditures" shall mean, with respect to any Person, without duplication, all expenditures (including deposits) made by such Person for, or contracts for expenditures with respect to any fixed assets or improvements, or for replacements, substitutions or additions thereto, which have a useful life of more than one (1) year, including the direct or indirect acquisition of such assets by way of increased product or service charges, offset items or otherwise, as determined in accordance GAAP consistently applied and all other expenditures which, in accordance with GAAP, would be required to be capitalized and shown on the consolidated balance sheet of such Person.

"Capital Lease" shall mean any lease of any property (whether real, personal or mixed) that, in conformity with GAAP consistently applied, should be accounted for as a capital lease.

"Cash Dominion Event" shall mean (a) the occurrence and continuance of a Specified Event of Default or (b) if Excess Availability is less than the greater of (i) 12.5% of the Line Cap and (ii) $5,000,000; provided, that (A) if a Cash Dominion Event has occurred due to clause (a) above, if no Specified Events of Default exists for at least 30 consecutive days, such Cash Dominion Event shall no longer be deemed to exist or be continuing; and (B) if a Cash Dominion Event has occurred due to clause (b) above, if the Excess Availability shall be greater than the greater of (1) 12.5% of the Line Cap and (2) $5,000,000 for at least 30 consecutive days, such Cash Dominion Event shall no longer be deemed to exist or be continuing,

"Cash Equivalents" shall mean: (a) marketable direct obligations issued or unconditionally guaranteed by the United States Government or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within one (1) year from the date of acquisition thereof; (b) commercial paper maturing no more than six (6) months from the date issued and, at the time of acquisition, having a rating of at least A-1 from Standard & Poor's Corporation or at least P-1 from Moody's Investors Service, Inc.; (c) certificates of deposit or bankers' acceptances maturing within one (1) year from the date of issuance thereof issued by, or overnight reverse repurchase agreements from, any commercial bank organized under the laws of the United States of America or any state thereof or the District of Columbia having combined capital and surplus of not less than $500,000,000 and whose debt obligations, or those of a holding company of which it is a Subsidiary, are rated not less than A (or the equivalent rating) by a nationally recognized investment rating agency (an "A Rated Bank"); (d) time deposits maturing no more than thirty (30) days from the date of creation thereof with A Rated Banks; (e) mutual funds that invest solely in one or more of the investments described in clauses (a) through (d) above; and (f) with respect to such investments in currencies other than Dollars or in jurisdictions other than the United States, other investments reasonably deemed by a Loan Party to be equivalent to the investments described in clauses (a) through (e) above.

"Cash Interest Expense" shall mean, without duplication, for any period, Interest Expense (excluding the following non-cash components of Interest Expense: (a) the amortization of fees and costs with respect to the transactions contemplated by this Agreement which have been capitalized as transaction costs, and (b) interest paid in kind).

"Cash Receipt Account" or "Cash Receipt Accounts" shall mean, individually or collectively, all lockbox accounts, dominion accounts or other deposit accounts established and maintained by Loan Parties for the purpose of collecting or depositing cash, checks, notes, instruments, and other items of payment (including insurance proceeds, cash proceeds of asset sales, rental proceeds, and tax refunds), and which are designated as such and listed on Schedule 5.23.

"CERCLA" shall mean the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. §§9601 et seq.

"CFC" shall mean a "controlled foreign corporation" as defined in Section 957 of the Code.

"Change in Tax Law" shall mean a change in the treaty, law or regulation after the date on which the applicable Agent or Lender becomes a party to this Agreement (or, if such Lender is a non-U.S. intermediary or flow-through entity for U.S. federal income tax purposes, after the relevant beneficiary or member of such Lender became such a beneficiary or member, if later); provided, however, such term does not include regulations or other guidance issued by the IRS or U.S. Treasury implementing or interpreting laws already enacted, but not yet effective.

"Change of Control" shall mean an event or series of events by which:

(a) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, but excluding any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, except that a person or group shall be deemed to have "beneficial ownership" of all securities that such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time (such right, an "option right")), directly or indirectly, of thirty-three percent (33%) or more of the Equity Interests of the Parent entitled to vote for members of the board of directors or equivalent governing body of the Parent on a fully-diluted basis (and taking into account all such Equity Interests that such "person" or "group" has the right to acquire pursuant to any option right); or

(b) during any period of twenty-four (24) consecutive months, a majority of the members of the board of directors or other equivalent governing body of the Parent cease to be composed of individuals (i) who were members of that board or equivalent governing body on the first day of such period, (ii) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (iii) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body; or

(c) any "change in control" as defined in any formation or governance documents of any Loan Party or in any Material Contract, or any document governing any material Indebtedness of any Loan Party; or

(d) the Parent fails at any time to own, directly or indirectly, 100% of the Equity Interests of each other Loan Party (other than the Parent) free and clear of all Liens (other than the Liens in favor of the Agent), except where such failure is as a result of a transaction permitted by this Agreement or the Other Documents.

"Charges" shall mean all taxes, charges, fees, imposts, levies or other assessments, including, without limitation, all net income, gross income, gross receipts, sales, use, ad valorem, value added, transfer, franchise, profits, inventory, capital stock, license, withholding, payroll, employment, social security, unemployment, excise, severance, stamp, occupation and property taxes, custom duties, fees, assessments, Liens, claims and charges of any kind whatsoever, together with any interest and any penalties, additions to tax or additional amounts, imposed by any taxing or other authority, domestic or foreign (including, without limitation, the PBGC or any environmental agency or superfund), upon the Collateral, any Loan Party or any Subsidiary of any Loan Party.

"Closing Date" shall mean August 24, 2020.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time and the regulations promulgated thereunder.

"Collateral" shall mean any and all collateral granted under this Agreement or any Other Document to secure any and all of the Obligations, including without limitation all tangible and intangible property of each Loan Party, all personal and real property of each Loan Party, all movable and immovable property of each Loan Party, in each case whether now owned or hereafter acquired and wherever located, including, but not limited to, the following of each Loan Party:

(a) all Accounts and other Receivables;

(b) all certificated and uncertificated securities;

(c) all chattel paper, including electronic chattel paper;

(d) all Computer Hardware and Software and all rights with respect thereto, including, any and all licenses, options, warranties, service contracts, program services, test rights, maintenance rights, supporting information, improvement rights, renewal rights and indemnifications, and any substitutions, replacements, additions or model conversions of any of the foregoing;

(e) all Contract Rights;

(f) all commercial tort claims, (including, without limitation any commercial tort claims from time to time described on Schedule 5.8(b)(i) (as such Schedule 5.8(b)(i) may from time to time be updated));

(g) all deposit accounts;

(h) all documents;

(i) all financial assets;

(j) all General Intangibles, including payment intangibles and software;

(k) all goods (including all Equipment and Inventory), and all embedded software, accessions, additions, attachments, improvements, substitutions and replacements thereto and therefor;

(l) all instruments;

(m) all Intellectual Property;

(n) all Investment Property;

(o) all of the Equity Interests issued by each Loan Party (other than Parent) and each of their Subsidiaries;

(p) all leasehold interests;

(q) all cash, cash equivalents or other money;

(r) all letter of credit rights;

(s) all security entitlements;

(t) all supporting obligations;

(u) all of each Loan Party's right, title and interest in and to (i) all of its respective goods and other property including, but not limited to, all merchandise returned or rejected by Customers, relating to or securing any of the Receivables; (ii) all of each Loan Party's rights as a consignor, a consignee, an unpaid vendor, mechanic, artisan, or other lienor, including stoppage in transit, setoff, compensation, detinue, replevin, reclamation and repurchase; (iii) all supporting obligations and all additional amounts due to any Loan Party from any Customer relating to the Receivables; (iv) all other property of any kind whatsoever of each Loan Party, including, but not limited to, warranty claims, relating to any goods; (v) all of each Loan Party's Contract Rights, rights of payment which have been earned under a Contract Right, letter of credit rights (whether or not the letter of credit is evidenced by a writing), instruments (including promissory notes), documents, chattel paper (whether tangible or electronic), warehouse receipts, deposit accounts, money and securities; (vi) if and when obtained by any Loan Party, all real, immovable, movable and personal property of third parties in which such Loan Party has been granted a Lien; and (vii) any other goods, movable or personal property or real or immovable property of any kind or description, wherever located, now or hereafter owned or acquired by any Loan Party; and

(v) all books, records, writings, data bases, information and other property relating to, used or useful in connection with, or evidencing, embodying, incorporating or referring to any of the foregoing, and all proceeds, products, offspring, rents, issues, profits and returns of and from any of the foregoing;

provided, however, that, no Excluded Assets shall be included in Collateral.

"Collateral Access Agreement" shall mean an agreement in writing, in form and substance reasonably satisfactory to Agent, from any lessor of premises to any Loan Party, or any other Person to whom any Collateral is consigned or who has custody, control or possession of any such Collateral or is otherwise the owner or operator of any premises on which any of such Collateral is located, duly executed and delivered in favor of Agent with respect to the Collateral at such premises or otherwise in the custody, control or possession of such lessor, consignee or other Person.

"Commodity Exchange Act" means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

"Commitment" shall mean, with respect to each Lender, its Revolver Commitment or its Swingline Loan Commitment, as the context requires, and, with respect to all Lenders, their Revolver Commitments or their Swingline Loan Commitments, as the context requires, in each case as such Dollar amounts are set forth beside such Lender's name under the applicable heading on Schedule C-1 or in the Commitment Transfer Supplement pursuant to which such Lender became a Lender hereunder, as such amounts may be reduced or increased from time to time pursuant to assignments made in accordance with the provisions of this Agreement (including, without limitation, pursuant to any increase contemplated under Section 2.19).

"Commitment Percentage" shall mean, with respect to a Lender's obligation to make Revolving Advances and participate in Letters of Credit and in the Swingline Loan Advances, and right to receive payments of principal, interest and fees with respect thereto, (a) prior to the Revolver Commitments being terminated or reduced to zero, the percentage obtained by dividing (i) such Lender's Revolver Commitment, by (ii) the aggregate Revolver Commitments of all Lenders, and (b) from and after the time that the Revolver Commitments have been terminated or reduced to zero, the percentage obtained by dividing (i) the outstanding principal amount of such Lender's Revolving Advances and ratable portion in Swingline Loan Advances and in Letters of Credit by (ii) the outstanding principal amount of all Revolving Advances made by Lenders (inclusive of all Swingline Loan Advances made by Swingline Lender and all Letters of Credit.

"Commitment Transfer Supplement" shall mean a document in the form of Exhibit 16.3, properly completed, or otherwise in form and substance reasonably satisfactory to Agent, and if applicable, to Administrative Loan Party, by which a Purchasing Lender purchases and assumes all or a portion of Advances made by a Lender and/or all or a portion of the Commitments of a Lender.

"Compliance Certificate" shall mean the Compliance Certificate executed and delivered by a Responsible Officer of Administrative Loan Party's pursuant to Sections 9.7, 9.8 and 9.9 in the form of Exhibit 9.7 appended hereto.

"Computer Hardware and Software" shall mean all of each Loan Party's and each of its Subsidiary's rights (including rights as licensee and lessee) with respect to (a) computer and other electronic data processing hardware, including all integrated computer systems, central processing units, memory units, display terminals, printers, computer elements, card readers, tape drives, hard and soft disk drives, cables, electrical supply hardware, generators, power equalizers, accessories, peripheral devices and other related computer hardware; (b) all software and all software programs designed for use on the computers and electronic data processing hardware described in clause (a) above, including all operating system software, utilities and application programs in whatsoever form (source code and object code in magnetic tape, disk or hard copy format or any other listings whatsoever); (c) any firmware associated with any of the foregoing; and (d) any documentation for hardware, software and firmware described in clauses (a), (b) and (c) above, including flow charts, logic diagrams, manuals, specifications, training materials, charts and pseudo codes.

"Consents" shall mean all filings and all licenses, permits, consents, approvals, authorizations, qualifications and orders of Governmental Bodies and other third parties, domestic or foreign, necessary to carry on any Loan Party's business or to permit the effectuation and performance of this Agreement and the Other Documents, including, without limitation, any Consents required under all applicable federal, state or other applicable law.

"Contra Claims" shall have the meaning set forth in subparagraph (l) of the definition of Eligible Accounts.

"Contract Right" shall mean any right of each Loan Party to payment under a contract for the sale or lease of goods or the rendering of services, which right is at the time not yet earned by performance.

"Control Notice" shall mean a written notice delivered by Agent pursuant to a "control" or other agreements instructing the depository bank to comply with instructions originated by Agent with respect to the Blocked Account that is covered thereby without further consent of Loan Parties.

"Controlled Affiliate" of any Person shall mean any Person which, directly or indirectly, is in control of, is controlled by, or is under common control with such Person. For purposes of this definition, control of a Person shall mean the power, direct or indirect, to (a) vote fifty-one (51%) percent or more of the Equity Interests having ordinary voting power for the election of directors or managers (or other comparable body) of such Person, and (b) to direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

"Controlled Group" shall mean all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with any Loan Party, are treated as a single employer under Section 414 of the Code.

"Covenant Trigger Period" shall mean any period (a) beginning on the date on which Excess Availability is less than the greater of (i) 15% of the Line Cap and (ii) $7,000,000, and (b) ending on the date on which Excess Availability is equal to or greater than the greater of (i) 15% of the Line Cap and (ii) $7,000,000, in either case, for each day during a period of thirty (30) consecutive days.

"Credit Card Issuer" shall mean any person (other than a Borrower or other Loan Party) who issues or whose members issue credit cards, including, without limitation, MasterCard or VISA bank credit or debit cards or other bank credit or debit cards issued through MasterCard International, Inc., Visa, U.S.A., Inc. or Visa International and American Express, Discover, Diners Club, Carte Blanche and other non-bank credit or debit cards, including, without limitation, credit or debit cards issued by or through American Express Travel Related Services Company, Inc., and Novus Services, Inc. and other issuers approved by the Agent.

"Credit Card Processor" shall mean any servicing or processing agent or any factor or financial intermediary who facilitates, services, processes or manages the credit authorization, billing transfer and/or payment procedures with respect to any Borrower's sales transactions involving credit card or debit card purchases by customers using credit cards or debit cards issued by any Credit Card Issuer.

"Credit Card Notifications Agreements" has the meaning provided in Section 4.14(i).

"Currency Due" shall have the meaning set forth in Section 16.5.

"Customer" shall mean and include the account debtor with respect to any Receivable and/or the prospective purchaser of goods, services or both with respect to any contract or Contract Right, and/or any party who enters into or proposes to enter into any contract or other arrangement with any Loan Party, pursuant to which such Loan Party is to deliver any personal property or perform any services.

"Customs" shall mean the United States of America Customs and Border Protection Agency of the United States Department of Homeland Security.

"Default" shall mean an event which, with the giving of notice or passage of time or both, would constitute an Event of Default.

"Default Rate" shall have the meaning set forth in Section 3.1.

"Defaulting Lender" shall have the meaning set forth in Section 2.15(a).

"Depository Accounts" shall have the meaning set forth in Section 4.14(h).

"Disposition" shall have the meaning set forth in Section 7.1; and "Dispose" shall have the correlative meaning.

"Disqualified Equity Interests" means any Equity Interests that, by their terms (or by the terms of any security or other Equity Interests into which they are convertible or for which they are exchangeable), or upon the happening of any event or condition (a) matures or are mandatorily redeemable (other than solely for Qualified Equity Interests), pursuant to a sinking fund obligation or otherwise (except as a result of a change of control or asset sale so long as any rights of the holders thereof upon the occurrence of a change of control or asset sale event shall be subject to the prior repayment in full of the Loans and all other Obligations that are accrued and payable and the termination of the Commitments), (b) are redeemable at the option of the holder thereof (other than solely for Qualified Equity Interests), in whole or in part, (c) provide for the scheduled payments of dividends in cash, or (d) are or become convertible into or exchangeable for Indebtedness or any other Equity Interests that would constitute Disqualified Equity Interests, in each case, prior to the date that is 180 days after the Original Term.

"Division Series Transaction" means with respect to any Loan Party and Subsidiary of any Loan Party any transaction event or occurrence pursuant to which a Loan Party of or any Subsidiary of a Loan Party (a) divides into two or more Persons (whether or not the original Borrower or Subsidiary survives such division) or (b) creates or reorganizes into one or more series in each case as contemplated under the laws of any jurisdiction.

"Dollar" and the sign "$" shall mean lawful money of the United States of America.

"Dollar Equivalent" shall mean, at any time, (a) as to any amount denominated in Dollars, the amount thereof at such time, and (b) as to any amount denominated in a currency other than Dollars, the equivalent amount in Dollars as reasonably determined by Agent at such time that such amount could be converted into Dollars by Agent according to prevailing exchange rates selected by Agent.

"Early Opt-In Election" shall have the meaning set forth in Section 3.9.

"EBITDA" shall mean for any period, without duplication, the total of the following for Loan Parties and their Subsidiaries on a consolidated basis, each calculated for such period:

(a) Net Income; plus

(b) without duplication, to the extent deducted in the calculation of Net Income, the sum of (i) income and franchise taxes paid or accrued, (ii) Interest Expense, net of interest income, paid or accrued, (iii) amortization and depreciation; and (iv) non-cash charges related to the impairment of goodwill; plus

(c) without duplication, to the extent deducted in the calculation of Net Income, the sum of (i) non-cash expenses, (ii) extraordinary or non-recurring losses, and (iii) losses from sales or other dispositions of assets (other than sales of Inventory in the normal course of business); less

(d) without duplication, to the extent included in the calculation of Net Income, the sum of (i) the income of any Person (other than a Loan Party or a Subsidiary of any Loan Party) in which any Loan Party or a Subsidiary of any Loan Party has an ownership interest except to the extent such income is received by any Loan Party or such Subsidiary in a cash distribution during such period, (ii) non-cash income, (iii) gains from sales or other dispositions of assets (other than sales of Inventory in the normal course of business), and (iv) extraordinary or non-recurring gains; provided, however, positive contributions to EBITDA from any Non-US Subsidiary that is not a Loan Party shall be disregarded;

provided further, that, the aggregate amount of adjustments pursuant to clauses (c) and (d) above shall not exceed for any period, ten (10%) percent of EBITDA for such period (calculated without considering the adjustments from clauses (c) and (d) for such period).

"EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"Eligible Accounts" shall mean and include each Account of a Borrower arising in the ordinary course of such Borrower's business and which Agent, in its Permitted Discretion shall deem to be an Eligible Account, based on such considerations as Agent may from time to time deem appropriate in its Permitted Discretion. In addition, without limiting the foregoing, in no event shall an Account be an Eligible Account if:

(a) it does not arise from the actual and bona fide sale and delivery of goods or rendition of services by such Borrower in the ordinary course of business of such Borrower, which transactions are completed in accordance in all material respects with the terms and provisions contained in any agreement binding on such Borrower or the other party or parties thereto;

(b) (i) for any Customer which is not Investment Grade, it is due or unpaid more than the earlier of (A) sixty (60) days after the original due date and (B) ninety (90) days after the original invoice date, (ii) for any Customer which is an Investment Grade Non-Automotive Retail Customer, it is due or unpaid more than the earlier of (A) sixty (60) days after the original due date and (B) one hundred and fifty (150) days after the original invoice date, and (iii) for any Customer which is an Investment Grade Automotive Retail Customer, it is due or unpaid more than three hundred and sixty-five (365) days after the original invoice date;

(c) it is owed by (i) a non-Investment Grade Non-Automotive Retail Customer who has Accounts that are otherwise eligible under clause (b) above but which unpaid Accounts constitute more than fifty (50%) percent of the total Accounts of such Customer (such percentage may, in Agent's sole discretion, be increased or decreased from time to time), or (ii) an Investment Grade Non-Automotive Retail Customer who has Accounts that are otherwise eligible under clause (b) above but which unpaid Accounts constitute more than twenty-five (25%) percent of the total Accounts of such Customer (such percentage may, in Agent's sole discretion, be increased or decreased from time to time);

(d) the Customer in respect of such Account is a Sanctioned Person or a Sanctioned Entity;

(e) it is not subject to the first priority, valid and perfected Lien of Agent (subject to Permitted Encumbrances having priority by operation of law; but without limiting the right of Agent to establish any Reserves with respect to Permitted Encumbrances);

(f) it is subject to any Lien other than the first priority security interest therein of Agent, except to the extent acceptable to Agent in its Permitted Discretion;

(g) any covenant, representation or warranty contained in this Agreement with respect to such Account has been breached in any material respect;

(h) the Customer shall (i) apply for, suffer, or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee, administrator or liquidator of itself or of all or a substantial part of its property or call a meeting of its creditors, (ii) admit in writing its inability, or be generally unable, to pay its debts as they become due or cease operations of its business, (iii) make a general assignment for the benefit of creditors, (iv) commence a voluntary case under any state, federal or other bankruptcy or insolvency laws (as now or hereafter in effect), or enter into discussions with its creditors existing at any one time with respect to rescheduling any of its Indebtedness, (v) be adjudicated a bankrupt or insolvent, (vi) file a petition seeking to take advantage of any other law providing for the relief of debtors, (vii) acquiesce to, or fail to have dismissed, any petition which is filed against it in any involuntary case under such bankruptcy or insolvency laws, or (viii) take any action for the purpose of effecting any of the foregoing or which is indicative of insolvency;

(i) the sale is to a Customer located or incorporated (or other analogous term) outside the United States of America or Canada (but excluding the provinces of Newfoundland, the Northwest Territories and the Territory of Nunavit), unless the sale is on letter of credit, guarantee or acceptance terms, in each case acceptable to Agent in its Permitted Discretion;

(j) the sale to the Customer is on a bill-and-hold, guaranteed sale, sale-and-return, sale on approval, consignment or any other repurchase, return or contingent or conditional basis or is evidenced by chattel paper;

(k) the Customer is the United States of America, any state or any department, agency or instrumentality of any of them, unless such Borrower assigns its right to payment of such Account to Agent pursuant to the Assignment of Claims Act of 1940, as amended (31 U.S.C. Sub-Section 3727 et seq. and 41 U.S.C. Sub-Section 15 et seq.) or has otherwise complied with other applicable statutes or ordinances;

(l) the goods giving rise to such Account have not been shipped and delivered to and accepted by the Customer or the services giving rise to such Account have not been performed by such Borrower and accepted by the Customer (such as advanced billings) or the Account otherwise does not represent a final sale that has been billed to the Customer;

(m) the Accounts of the Customer exceed a credit limit determined by Agent, in its Permitted Discretion, to the extent such Account exceeds such limit;

(n) the Account is subject to any offset, deduction, defense, dispute, or counterclaim, the Customer is also a creditor or supplier of such Borrower, or the Account is contingent in any respect or for any reason (each such offset, deduction, defense, dispute, counterclaim or contingency, a "Contra Claim");

(o) such Borrower has made any agreement with any Customer for any deduction therefrom, except for discounts or allowances made in the ordinary course of business for prompt payment, all of which discounts or allowances are reflected in the calculation of the face value of each respective invoice related thereto;

(p) any return, rejection or repossession of the Inventory has occurred the sale of which gave rise to such Account or such Account relates to a Customer whose obligation to pay is in any respect, conditional or subject to any such right of return, rejection, repossession or similar rights;

(q) such Account is not payable to such Borrower;

(r) in the case of any single Customer and its Affiliates, such Accounts constitute more than twenty (20%) percent of all Accounts (other than any Investment Grade Non-Automotive Retail Customer acceptable to Agent in its Permitted Discretion as to which the total obligations owing to such Borrower constitute more than (i) for the period from the Closing Date through and including September 30, 2020, fifty five (55%) percent of all Accounts, (ii) for the period from October 1, 2020 through and including November 30, 2020, fifty (50%) of all Accounts, and (iii) thereafter, forty-five (45%) percent of all Accounts); it being understood that the portion of the Accounts not in excess of foregoing applicable percentages may be deemed Eligible Accounts;

(s) such Account arises from a transaction wherein goods are placed on consignment, or which transaction includes progress billings (such that the obligation of the Customer with respect to such Account is conditioned upon such Borrower's satisfactory completion of any further performance under the agreement giving rise thereto), arises from a guaranteed sale, a sale or return, a sale on approval, or a bill and hold, except as to bill and hold invoices, if Agent shall have received an agreement in writing from the Customer, in form and substance reasonably satisfactory to Agent, confirming the unconditional obligation of the Customer to take the goods related thereto and pay such invoice;

(t) the Customer or any officer or employee of the Customer with respect to such Account is an officer, employee, agent or other Affiliate of any Loan Party or any Subsidiary of any Loan Party;

(u) there are proceedings or actions which are threatened or pending against the Customer with respect to such Account which might result in any Material Adverse Effect with respect to such Customer;

(v) the underlying sale and other documentation governing such Account do not provide that such Account must be paid by the Customer in Dollars;

(w) the underlying sale and other documentation governing such Account are not governed by the laws of the United States of America or, for Customers located or incorporated (or other analogous term) in Canada, the laws of the United States or Canada; or

(x) such Account is an Account the collection of which, Agent, in its Permitted Discretion, believes to be doubtful, including by reason of the Customer's financial condition.

The criteria for Eligible Accounts set forth above may only be changed and any new criteria for Eligible Accounts may only be established by Agent in good faith, and upon prompt notice to Administrative Loan Party (which notice may be given either before or after such change is made), based on either: (i) an event, condition or other circumstance arising after the date hereof, or (ii) an event, condition or other circumstance existing on the date hereof to the extent Agent has no written notice thereof from such Borrower prior to the date hereof, in either case under clause (i) or (ii) which adversely affects or could reasonably be expected to adversely affect the Accounts in the good faith determination of Agent. Any Accounts which are not Eligible Accounts shall nevertheless be part of the Collateral.

"Eligible Inventory" shall mean Inventory owned by a Borrower consisting of finished goods held for resale in the ordinary course of the business of such Borrower, in each case which Agent, in its Permitted Discretion, shall deem to be Eligible Inventory, based on such considerations as Agent may from time to time deem appropriate in its Permitted Discretion. Without limiting the foregoing, in no event shall Inventory be Eligible Inventory if such Inventory:

(a) is Firearms or Ammunition;

(b) is work-in-process or raw materials;

(c) is spare parts for equipment;

(d) is packaging and shipping materials;

(e) is supplies used or consumed in such Borrower's business;

(f) is a sample or otherwise used in marketing, or is a restrictive or custom item or otherwise is manufactured in accordance with customer-specific requirements;

(g) is subject to third party intellectual property, licensing or other proprietary rights, unless Agent is satisfied that such Inventory can be freely sold by Agent on and after the occurrence of an Event of a Default despite such third party rights;

(h) is not in compliance with all standards of any Governmental Body applicable to the manufacture and sale thereof, or is not insured for the benefit of Agent in accordance with Section 4.10 hereof;

(i) is not located at premises owned and controlled by such Borrower; except, that, Inventory at premises leased and controlled by such Borrower or Inventory at a warehouse owned and operated by a third Person on behalf of such Borrower, in each case that otherwise satisfies the criteria for Eligible Inventory, may be considered Eligible Inventory if (A) Agent has received and accepted a Collateral Access Agreement from the owner and lessor or operator of such premises, as the case may be, duly authorized, executed and delivered by such owner and lessor or operator, it being understood and agreed that the Missouri Collateral Access Agreement is sufficient to satisfy this clause (A), and any Inventory located at the Missouri Location meets the eligibility criteria set forth in this clause (A), or (B) Agent shall have established such Reserves in respect of amounts at any time due or to become due to the owner and lessor or operator thereof as Agent shall determine in its Permitted Discretion;

(j) is not subject to the first priority, valid and perfected Lien of Agent (other than Permitted Encumbrances having priority by operation of law; but without limiting the right of Agent to establish any Reserves with respect to Permitted Encumbrances);

(k) is subject to any Lien other than the first priority security interest therein of Agent, except to the extent acceptable to Agent in its Permitted Discretion;

(l) is not beneficially and legally owned solely by such Borrower;

(m) is bill and hold goods;

(n) is unserviceable, obsolete or slow-moving Inventory or Inventory in a poor condition;

(o) is damaged and/or defective Inventory;

(p) is returned Inventory (other than undamaged and non-defective Inventory returned in the ordinary course of business that is held for resale in the ordinary course of business);

(q) is purchased, held or sold on consignment; or

(r) is not subject to an appraisal in accordance with the requirements of Agent; or

(s) is located outside the continental United States of America.

The criteria for Eligible Inventory set forth above may only be changed and any new criteria for Eligible Inventory may only be established by Agent in good faith, and upon prompt notice to Administrative Loan Party (which notice may be given before or after such change is made), based on either: (i) an event, condition or other circumstance arising after the date hereof, or (ii) an event, condition or other circumstance existing on the date hereof to the extent Agent has no written notice thereof from Administrative Loan Party prior to the date hereof, in either case under clause (i) or (ii) which adversely affects or could reasonably be expected to adversely affect the Inventory in the good faith determination of Agent. Any Inventory which is not Eligible Inventory shall nevertheless be part of the Collateral.

"Environmental Complaint" shall have the meaning set forth in Section 4.18(d).

"Environmental Laws" shall mean all federal, state, local and other environmental, land use, zoning, health, chemical use, safety and sanitation laws, statutes, ordinances and codes relating to the protection of the environment and/or governing the use, storage, treatment, generation, transportation, processing, handling, production or disposal of Hazardous Substances and the rules, regulations, policies, formal agency, interpretations, decisions, orders and directives of federal, state, local and other Governmental Body with respect thereto.

"Equipment" shall mean and include as to each Loan Party and each of its Subsidiaries, all of such Loan Party's and Subsidiary's, whether now owned or hereafter acquired and wherever located equipment, machinery, apparatus, motor vehicles, fittings, furniture, furnishings, fixtures, parts, accessories, and all other goods (other than Inventory) and all replacements and substitutions therefor or accessions thereto.

"Equity Interests" shall mean, with respect to any Person, any and all shares, interests, participations or other equivalents (however designated) of such Person's capital stock or partnership, limited liability company or other equity interests at any time outstanding, and any and all rights, warrants or options exchangeable for or convertible into such capital stock or other interests (but excluding any debt security that is exchangeable for or convertible into such capital stock or other equity interests).

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time and the rules and regulations promulgated thereunder.

"ERISA Affiliate" shall mean, with respect to any Loan Party, any trade or business (whether or not incorporated) that, together with such Loan Party, are treated as a single employer within the meaning of Sections 414(b), (c), (m) or (o) of the Code.

"ERISA Event" shall mean, with respect to any Loan Party or any ERISA Affiliate, (a) any event described in Section 4043(c) of ERISA with respect to a Title IV Plan; (b) the withdrawal of any Loan Party or ERISA Affiliate from a Title IV Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer, as defined in Section 4001(a)(2) of ERISA; (c) the complete or partial withdrawal of any Loan Party or any ERISA Affiliate from any Multiemployer Plan; (d) the filing of a notice of intent to terminate a Title IV Plan or the treatment of a plan amendment as a termination under Section 4041 of ERISA; (e) the institution of proceedings to terminate a Title IV Plan or Multiemployer Plan by the PBGC; (f) the failure by any Loan Party or ERISA Affiliate to make when due required contributions to a Multiemployer Plan or Title IV Plan unless such failure is cured within thirty (30) days; (g) the imposition of a lien under Section 412 or 430 of the Code or Section 303 or 4068 of ERISA on any property (or rights to property, whether real or personal) of any ERISA Affiliate; (h) a Title IV Plan is in "at risk status" within the meaning of Code Section 430(i), (i) a Multiemployer Plan is in "endangered status" or "critical status" within the meaning of Code Section 432(b); (j) an ERISA Affiliate incurs a substantial cessation of operations within the meaning of ERISA Section 4062(e), with respect to a Title IV Plan; (k) any other event or condition that might reasonably be expected to constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Title IV Plan or Multiemployer Plan or for the imposition of liability under Section 4069 or 4212(c) of ERISA; (l) the termination of a Multiemployer Plan under Section 4041A of ERISA or the reorganization or insolvency of a Multiemployer Plan under Section 4241 or 4245 of ERISA; or (m) the revocation or threatened revocation of a Qualified Plan's qualification or tax exempt status; or (n) the termination of a Plan described in Section 4064 of ERISA.

"ESOP" shall mean a Plan that is intended to satisfy the requirements of Section 4975(e)(7) of the Code.

"Event of Default" shall mean the occurrence of any of the events set forth in Section 10.

"Excess Availability" shall mean the amount, as determined by Agent in its Permitted Discretion, calculated at any date, equal to: (a) the lesser of: (i) the Borrowing Base and (ii) the Maximum Revolving Advance Amount less Maximum Revolving Advance Amount Reserves (in each case under (i) and (ii), without duplication and without giving effect to Reserves in respect of outstanding Letters of Credit), minus (b) the sum of: (i) the amount of all then outstanding and unpaid Revolving Advances plus the amount of all then outstanding Letters of Credit, plus (ii) the aggregate amount of all then outstanding and unpaid trade payables and other obligations of Loan Parties which are outstanding more than sixty (60) days past due as of the end of the immediately preceding month or at Agent's option, as of a more recent date based on such reports as Agent may from time to time specify (other than trade payables or other obligations being contested or disputed by Loan Parties in good faith),

"Excluded Assets" shall mean:

(a) any Excluded Equity Interests;

(b) each instrument, contract (including each Intellectual Property-related contract and any Accounts and other Receivables arising under such contract), chattel paper, license, permit, General Intangible, and other agreement that is with, or issued by, a Person that is not a Loan Party or Affiliate of any Loan Party, but only while, and only to the extent that, the grant of a security interest therein pursuant to this Agreement would result in a default or penalty under, or a breach or termination of, such instrument, contract, chattel paper, license, permit, General Intangible, or other agreement (any such provisions that would result in any of the foregoing being referred to herein as a "Restriction"; and any such asset or property, or interest thereon, that is at any time subject to a Restriction being referred to herein as a "Restricted Asset"), except, in each case, to the extent that, pursuant to the Code or other applicable law, the grant of a security interest therein can be made without resulting in a default or penalty thereunder or breach or termination thereof; provided, that, none of the foregoing assets and properties, or interests therein, shall constitute Excluded Assets if (i) the Restriction applicable thereto has been waived or such other Person has otherwise consented to the creation hereunder of a security interest in such Restricted Asset, or (ii) such Restriction would be rendered ineffective pursuant to Section 9-406, 9-407, 9-408 or 9-409 of Article 9 of the UCC, as applicable, and as then in effect in any relevant jurisdiction, or any other applicable law (including the Bankruptcy Code) or principles of equity; provided further, that, (A) immediately upon the ineffectiveness, lapse or termination of any such Restriction with respect to a Restricted Asset (a "Non-Restricted Asset"), such Loan Party shall be deemed to have automatically, without further act by any Loan Party, Agent, Lenders or any other Person, granted a security interest in, all its rights, title and interests in and to such Non-Restricted Asset as if such Restriction had never been in effect; and (B) the foregoing exclusion shall in no way be construed so as to limit, impair or otherwise affect Agent's unconditional continuing security interest in and to all rights, title and interests of such Loan Party in or to any payment obligations or other rights to receive monies due or to become due under any such Restricted Asset and in any such monies and other proceeds of such Restricted Asset; and

(c) applications for any trademarks that have been filed with the U.S. Patent and Trademark Office on the basis of an "intent-to-use" with respect to such marks, unless and until a statement of use or amendment to allege use is filed and accepted by the U.S. Patent and Trademark Office or any other filing is made or circumstances otherwise change so that the interests of a Loan Party in such marks is no longer on an "intent-to-use" basis, at which time such marks shall automatically and without further action by the parties be subject to the security interests and liens granted by a Loan Party to Agent hereunder.

"Excluded Equity Interests" shall mean voting Equity Interests issued by a Non-US Subsidiary that is a CFC representing in excess of sixty-six (66%) percent (or such greater percentage to the extent such greater percentage would not result in a material adverse tax consequence to Loan Parties under Treas. Reg. Section 1.956-2) of the voting Equity Interests of such Non-US Subsidiary.

"Excluded Swap Obligation" means, with respect to any Loan Party, any Swap Obligation if, and to the extent that, all or a portion of the guaranty of such Loan Party of (including by virtue of the joint and several liability provisions of this Agreement), or the grant by such Loan Party of a security interest to secure, such Swap Obligation (or any guaranty thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Loan Party's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act and the regulations thereunder at the time the guaranty of such Loan Party or the grant of such security interest becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such guaranty or security interest is or becomes illegal.

"Excluded Tax" shall mean, with respect to any Lender (as defined in Section 3.6) (a) any Tax imposed on (or measured by) such Lender's gross revenues or net income (however denominated) and any franchise tax (in each case imposed in lieu of a net income tax) by any jurisdiction (or any political subdivision thereof) under the laws of which the Lender is organized or in which its principal office or its applicable lending office is located, (b) any branch profits taxes imposed on the Lender by the United States or any similar tax imposed on the Lender by a jurisdiction in which the Lender is resident for tax purposes, and (c)) any United States federal withholding taxes imposed under FATCA.

"Extraordinary Receipts" shall mean any cash received by any Loan Party or any of their respective Subsidiaries consisting of (a) proceeds of judgments, proceeds of settlements or other consideration of any kind in connection with any cause of action, (b) indemnity payments (other than to the extent such indemnity payments are (i) immediately payable to a Person that is not a Loan Party or any of their respective Subsidiaries, or (ii) received by a Loan Party or any of their respective Subsidiaries as reimbursement for any payment previously made to such Person), (c) any purchase price adjustment (other than a working capital adjustment) received in connection with any purchase or other acquisition agreement, (d) tax refunds, (e) pension plan reversions, (f) proceeds of insurance (other than such proceeds described in Section 2.13(a)), (g) proceeds of Indebtedness for Money Borrowed incurred by Loan Parties after the date hereof, to the extent permitted hereunder, and (h) at any time that an Event of Default has occurred and is continuing, at the sole discretion of Agent, any other cash received by any Loan Party or any of their respective Subsidiaries not in the ordinary course of business (and not consisting of proceeds described in Section 2.13(a) of this Agreement).

"FATCA" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), and (a) any current or future regulations or official interpretations thereof, (b) any agreements entered into pursuant to Section 1471(b)(1) of the Code, and (c) any intergovernmental agreement entered into by the United States (or any fiscal or regulatory legislation, rules, or practices adopted pursuant to any such intergovernmental agreement entered into in connection therewith).

"FCPA" means the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder.

"Federal Funds Rate" shall mean, for any day, the rate per annum (rounded upward to the nearest one one-hundredth of one (1/100th of 1%) equal to the weighted average of the rates on overnight Federal Funds transactions with members of the Federal Reserve System arranged by Federal Funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided, that, if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate quoted to Agent on such day on such transactions as determined by Agent in a commercially reasonable manner.

"Federal Reserve Bank of New York's Website" shall have the meaning set forth in Section 3.9.

"Fee Letter" shall mean the Fee Letter, dated as of the date hereof, by and among Borrowers and Agent, as amended, restated, modified and supplemented from time to time.

"Firearms" shall mean all firearms, guns and weapons, including, without limitation, handguns, revolvers, pistols, rifles, shotguns, semi-automatic weapons, submachine guns and any other portable barreled weapon that expels, is designed to expel or may be readily converted to expel a shot, bullet or projectile by the action of an explosive force.

"Fixed Charge Coverage Ratio" shall mean, with respect to Loan Parties and their Subsidiaries on a consolidated basis, for any applicable period, the ratio of (a) EBITDA for such period minus all cash Capital Expenditures made during such period minus all taxes paid or required to be paid during such period, to (b) Fixed Charges for such period.

"Fixed Charges" shall mean, as to Loan Parties and their Subsidiaries determined on a consolidated basis, with respect to any period, the sum of, without duplication, (a) all Cash Interest Expense during such period, plus (b) all regularly scheduled (as determined at the beginning of the respective period) principal payments of Money Borrowed, Indebtedness with respect to earn-outs and similar obligations and Indebtedness with respect to Capital Leases, in each case made or required to be made during such period (and without duplicating items in (a) and (b) of this definition, the interest component with respect to Indebtedness under Capital Leases), plus (c) all cash dividends or other cash distributions made or required to be made on account of Equity Interests (other than those made to a Loan Party) and all repurchases or redemptions of Equity Interests (other than those made to a Loan Party) made or required to be made during such period.

"GAAP" shall mean generally accepted accounting principles in the United States of America in effect from time to time, as may be amended from time to time by the Financial Accounting Standards Board; except, that, if there occurs after the date of this Agreement any change in GAAP that affects in any respect the calculation of any covenant contained in Section 6.8 hereof, Agent and Borrowers shall negotiate in good faith amendments to the provisions of this

Agreement that relate to the calculation of such covenants with the intent of having the respective positions of Agent, Lenders and Borrowers, after such change in GAAP conform as nearly as possible to their respective positions as of the date of this Agreement and, until any such amendments have been agreed upon, the covenants in Section 6.8 hereof shall be calculated on the basis of such principles in effect prior to such change and consistent with those used in the preparation of the most recent audited financial statements delivered to Agent prior to the date of such change.

"General Intangibles" shall mean and include as to each Loan Party and each of its Subsidiaries, all of such Loan Party's and Subsidiary's general intangibles (as such term is defined in the UCC), whether now owned or hereafter acquired including, without limitation, all payment intangibles, choses in action, commercial tort claims, causes of action, corporate or other business records, inventions, designs, patents, patent applications, equipment formulations, manufacturing procedures, quality control procedures, trademarks, service marks, trade secrets, goodwill, copyrights, design rights, registrations, licenses, franchises, customer lists, tax refunds, tax refund claims, computer programs and computer software, all claims under guaranties, Liens or other security held by or granted to such Loan Party or Subsidiary to secure payment of any of the Receivables by a Customer, all rights of indemnification and all other intangible property of every kind and nature (other than Receivables).

"Governmental Body" shall mean any nation or government, any state or other political subdivision thereof or any entity exercising the legislative, judicial, regulatory or administrative functions of or pertaining to a government.

"Government Receivables" shall have the meaning set forth in Section 6.4.

"Guarantee" shall mean the guarantee set forth in Section 15 of this Agreement and any other guarantee of the Obligations of Borrowers now or hereafter executed by a Guarantor in favor of Agent for its benefit and for the ratable benefit of Lenders.

"Guarantor" or "Guarantors" shall have the meaning set forth in the preamble to this Agreement and shall extend to all permitted successors and assigns of such Persons as well as each other Subsidiary of Parent and Borrowers that becomes a guarantor of any of the Obligations after the Closing Date pursuant to Section 7.12(a) or otherwise.

"Hazardous Discharge" shall have the meaning set forth in Section 4.18(d).

"Hazardous Substance" shall mean, without limitation, any flammable explosives, radon, radioactive materials, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum and petroleum products, methane, hazardous materials, Hazardous Wastes, hazardous or Toxic Substances or related materials as defined in CERCLA, the Hazardous Substances Transportation Act, as amended (49 U.S.C. Sections 1801, et seq.), RCRA, Articles 15 and 27 of the New York State Environmental Conservation Law or any other applicable Environmental Law and in the regulations adopted pursuant thereto.

"Hazardous Wastes" shall mean all waste materials subject to regulation under CERCLA, RCRA or applicable state or other law, and any other applicable federal, state or other laws now in force or hereafter enacted relating to hazardous waste disposal.

"Hedging Agreements" shall mean an agreement between any Loan Party and any financial institution that is a rate swap agreement, basis swap, forward rate agreement, commodity swap, interest rate option, forward foreign exchange agreement, spot foreign exchange agreement, rate cap agreement rate, floor agreement, rate collar agreement, currency swap agreement, cross-currency rate swap agreement, currency option, any other similar agreement (including any option to enter into any of the foregoing or a master agreement for any of the foregoing together with all supplements thereto) for the purpose of protecting against fluctuations in or managing exposure with respect to interest or exchange rates, currency valuations or commodity prices.

"Hedging Obligations" shall mean obligations of any Loan Party to Agent or any Affiliate Counterparty under any interest rate swap transactions, basis swaps, forward rate transactions, commodity swaps, commodity options, equity or equity index swaps, equity or equity index options, bond options, interest rate options, foreign exchange transactions, cap transactions, floor transactions, collar transactions, forward transactions, currency swap transactions, cross-currency rate swap transactions, currency options

"Impacted Lender" shall mean any Lender that (a) is an Impaired Lender or (b) fails to promptly provide Agent, upon Agent's written request, reasonably satisfactory assurance that such Lender is not, and will not become, a Defaulting Lender or an Impaired Lender.

"Impaired Lender" shall mean any Lender (a) that has given verbal or written notice (and so long as such notice has not been retracted in writing) to any Borrower, Agent or any other Lender or has otherwise publicly announced (and such announcement has not been retracted in writing) that such Lender believes it will fail to fund all payments required to be made by it or fund all purchases of participations required to be funded by it under this Agreement and the Other Documents, (b) as to which Agent has (and for so long as Agent continues to have) a good faith belief that such Lender has defaulted in fulfilling its obligations (as a lender, agent or letter of credit issuer) under one or more other syndicated credit facilities or (c) with respect to which one or more Lender-Related Distress Events has occurred and are continuing with respect to such Person or any Person that directly or indirectly controls such Lender and Agent has determined that such Lender may become a Defaulting Lender. For purposes of this definition, control of a Person shall have the same meaning as provided in the definition of Affiliate.

"Indebtedness" of a Person at a particular date shall mean (a) all indebtedness for Money Borrowed of such Person whether direct or guaranteed; (b) that portion of obligations with respect to Capital Leases that is properly classified as a liability on a balance sheet in conformity with GAAP consistently applied; (c) notes payable and drafts accepted representing extensions of credit; (d) any obligation owed for all or any part of the deferred purchase price of property or services if the purchase price is due more than six (6) months from the date the obligation is incurred or is evidenced by a note or similar written instrument (including, without limitation, the maximum potential amount of all earn-outs and similar deferred payment obligations regardless of the length of deferral); (e) all indebtedness secured by any Lien on any property or asset owned

or held by that Person regardless of whether the indebtedness secured thereby shall have been assumed by that Person or is non-recourse to the credit of that Person; (f) any contractual obligation, contingent or otherwise, of such Person to pay or be liable for the payment of any indebtedness described in this definition of another Person, including, without limitation, any such indebtedness, directly or indirectly guaranteed, or any agreement to purchase, repurchase, or otherwise acquire such indebtedness, obligation or liability or any security therefor, or to provide funds for the payment or discharge thereof, or to maintain solvency, assets, level of income, or other financial condition; (g) all obligations evidenced by bonds, debentures, notes or similar instruments; (h) all reimbursement obligations and other liabilities of such Person with respect to surety bonds (whether bid, performance or otherwise), letters of credit, banker's acceptances, drafts or similar documents or instruments issued for such Person's account; (i) all obligations, liabilities and indebtedness of such Person (marked to market) arising under Hedging Agreements; (j) any guaranty, endorsement, suretyship or other undertaking pursuant to which such Person may be liable on account of any obligation of any third party; (k) the indebtedness of a partnership or joint venture for which such Person is liable as a general partner or joint venture; (l) any Disqualified Equity Interest of such Person; and (m) the principal and interest portions of all rental obligations of such Person under any synthetic lease or similar off-balance sheet financing where such transaction is considered to be borrowed money for tax purposes but is classified as an operating lease in accordance with GAAP consistently applied, in each case whether such liabilities are present or future, actual or contingent and whether owned jointly or severally.

"Intellectual Property" shall mean all trade secrets and other proprietary information; trademarks, service marks, business names, Internet domain names, designs, logos, trade dress, slogans, indicia and other source and/or business identifiers, and the goodwill of the business relating thereto and all registrations or applications for registrations which have heretofore been or may hereafter be issued thereon throughout the world; copyrights (including copyrights for computer programs and software) and copyright registrations or applications for registrations which have heretofore been or may hereafter be issued throughout the world and all tangible property embodying the copyrights; unpatented inventions (whether or not patentable); patent applications and patents; industrial designs, industrial design applications and registered industrial designs; license agreements related to any of the foregoing and income therefrom; books, records, writings, computer tapes or disks, flow diagrams, specification sheets, source codes, object codes and other physical manifestations, embodiments or incorporations of any of the foregoing; the right to sue for all infringements of any of the foregoing; and all common law and other rights throughout the world in and to all of the foregoing.

"Interest Expense" shall mean, for any period, as to any Person, as determined in accordance with GAAP consistently applied, the total interest expense of such Person, whether paid or accrued during such period but without duplication (including the interest component of Capital Leases for such period).

"Interest Period" shall mean the period provided for any LIBOR Rate Loan pursuant to Section 2.2(b).

"Interest Rate" shall mean an interest rate per annum equal to (a) the sum of the Base Rate plus the Applicable Margin per annum with respect to Base Rate Loans, and (b) the sum of Adjusted LIBOR Rate plus the Applicable Margin per annum with respect to LIBOR Rate Loans.

"Inventory" shall mean and include as to each Loan Party and each Subsidiary of each Loan Party, all of such Loan Party's and Subsidiary's now owned or hereafter acquired inventory (as such term is defined in the UCC), goods, merchandise and other personal property, wherever located, to be furnished under any contract of service or held for sale or lease, all raw materials, work in process, finished goods and materials and supplies of any kind, nature or description which are or might be used or consumed in such Loan Party's or Subsidiary's business or used in selling or furnishing such goods, merchandise and other personal property, all other inventory of such Loan Party or Subsidiary, and all documents of title or other documents representing them.

"Investment-Grade" shall mean a rating equal to or higher than Baa3 (or the equivalent) by Moody's and BBB- (or the equivalent) by S&P, or any equivalent rating by any other nationally recognized rating agency.

"Investment Grade Automotive Retail Customers" shall mean any Customer in the retail automotive industry that has an Investment Grade rating as determined by Agent in its Permitted Discretion.

"Investment Grade Non-Automotive Retail Customers" shall mean any Customer not in the automotive industry that has an Investment Grade rating as determined by Agent in its Permitted discretion.

"Investment Property" shall mean any "investment property" as such term is defined in Section 9-102 of the UCC now owned or hereafter acquired by any Loan Party or any of its Subsidiaries, wherever located, including (a) all securities, whether certificated or uncertificated, including stocks, bonds, interests in limited liability companies, partnership interests, treasuries, certificates of deposit, and mutual fund shares; (b) all securities entitlements of any Loan Party or Subsidiary, including the rights of any Loan Party or Subsidiary to any securities account and the financial assets held by a securities intermediary in such securities account and any free credit balance or other money owing by any securities intermediary with respect to that account; (c) all securities accounts of any Loan Party or Subsidiary; (d) all commodity contracts of any Loan Party or Subsidiary; and (e) all commodity accounts held by any Loan Party or Subsidiary.

"IRS" shall mean the United States Internal Revenue Service.

"Issuer" shall mean any Person who issues a Letter of Credit and/or accepts a draft pursuant to the terms thereof (it being agreed that so long as TD Bank shall be Agent, then the Issuer shall be (a) TD Bank or any of its Affiliates, and/or (b) such other Person selected by Agent in its Permitted Discretion and in consultation with Administrative Loan Party; provided, however, that, in the event that TD Bank is neither Agent nor a Lender, the "Issuer" with respect to all subsequently issued Letters of Credit shall be a Person selected by Borrowers and acceptable to the Required Lenders, Agent and such Person).

"Judgment Currency" shall have the meaning set forth in Section 16.5.

"Lender" and "Lenders" shall have the meaning ascribed to such term in the preamble to this Agreement and shall include each Person which becomes a transferee, successor or assign of any Lender.

"Lender Default" shall have the meaning set forth in Section 2.15(a).

"Lender-Related Distress Event" shall mean, with respect to any Lender or any Person that directly or indirectly controls such Lender (each a "Distressed Person"), a voluntary or involuntary case with respect to such Distressed Person under the Bankruptcy Code or any similar bankruptcy or insolvency laws of its jurisdiction of formation, or a custodian, conservator, receiver or similar official is appointed for such Distressed Person or any substantial party of such Distressed Person's assets, or the assets or management of such Distressed Person have been taken over by any Governmental Body including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity, or such Distressed Person becomes the subject of a Bail-in Action, or such Distressed Person or any Person that directly or indirectly controls such Distressed Person is subject to a forced liquidation, merger, sale or other change of control supported in whole or in party by guaranties or other support (including, without limitation, the nationalization or assumption of ownership or operating control by) of the U.S. government or other Governmental Body, or such Distressed Person makes a general assignment for the benefit of creditors or is otherwise adjudicated as, or determined by any Governmental Body having regulatory authority over such Distressed Person or its assets to be, insolvent, bankrupt, or deficient in meeting any capital adequacy or liquidity standard of any such Governmental Body. For purposes of this definition, control of a Person shall have the same meaning as provided in the definition of Affiliate.

"Letter of Credit Application" shall have the meaning set forth in Section 2.9(a).

"Letter of Credit Fees" shall have the meaning set forth in Section 3.2(a).

"Letters of Credit" shall have the meaning set forth in Section 2.8.

"LIBOR" (i.e., the London Interbank Offered Rate) shall mean the London Interbank Offered Rate rate of interest in U.S. Dollars (rounded upwards, at the Lender's option, to the next 1/8th of one percent) equal to the Intercontinental Exchange, Inc. ("ICE, "or the successor thereto if ICE is no longer making a London Interbank Offered Rate available) ("ICE LIBOR") rate for the equivalent Interest Period as published by Bloomberg (or such other commercially available source providing quotations of ICE LIBOR as designated by Lender from time to time) at approximately 11:00 A.M. (London time) two (2) London Business Days prior to the commencement of any Interest Period; provided, however, if more than one ICE LIBOR is specified, the applicable rate shall be the arithmetic mean of all such rates; provided, however, notwithstanding anything else to the contrary in this Loan Agreement, LIBOR will at no time be less than 0% per annum.

"LIBOR Rate Loan" shall mean an Advance accruing interest based on a rate determined by reference to the Adjusted LIBOR Rate.

"LIBOR Reserve Percentage" shall mean, or any day, that percentage (expressed as a decimal) which is in effect from time to time under Regulation D, as such regulation may be amended from time to time or any successor regulation, as the maximum reserve requirement (including, without limitation, any basic, supplemental, emergency, special, or marginal reserves) applicable with respect to Eurocurrency liabilities as that term is defined in Regulation D (or against any other category of liabilities that includes deposits by reference to which the interest rate of LIBOR Rate Loans is determined), whether or not Lender has any Eurocurrency liabilities subject to such reserve requirement at that time. LIBOR Rate Loans shall be deemed to constitute Eurocurrency liabilities and as such shall be deemed subject to reserve requirements without benefits of credits for proration, exceptions or offsets that may be available from time to time to Lender. The Adjusted LIBOR Rate shall be adjusted automatically on and as of the effective date of any change in the LIBOR Reserve Percentage.

"Lien" shall mean any mortgage, deed of trust, pledge, hypothecation, assignment, security interest, lien (whether statutory or otherwise), charge, claim or encumbrance, or preference, priority or other security agreement or preferential arrangement held or asserted in respect of any asset of any kind or nature whatsoever including, without limitation, any conditional sale or other title retention agreement, any lease having substantially the same economic effect as any of the foregoing, and the filing of, or agreement to give, any financing statement under the UCC or comparable law of any jurisdiction. Any reference to the Lien of Agent shall be construed in the broadest sense possible and shall in each case include a security interest and other Lien as the context implies.

"Lien Release and Assignment of Proceeds Agreement" shall mean a Lien Release and Assignment of Proceeds Agreement, in form and substance satisfactory to Agent, either entered into or assumed after the date of this Agreement by and among a Receivable Purchaser, Agent and any Loan Party, providing for, inter alia, an acknowledgment by the Agent that the Obligations are not secured by a lien and security interest in any accounts receivable of such Loan Party sold to such Receivable Purchaser under any Receivable Financing Agreement, as amended from time to time.

"Line Cap" shall mean, at any time, the lesser of (a) the Revolving Commitments of all Lenders at such time, and (b) the Borrowing Base at such time.

"Loan Party" shall mean, individually, each Borrower and each Guarantor, and "Loan Parties" shall mean, collectively, Borrowers and the Guarantors.

"Material Adverse Effect" shall mean a material adverse effect on (a) the financial condition, operations, assets or business of the Borrowers taken as a whole and/or Loan Parties and their Subsidiaries taken as a whole, (b) any Loan Party's ability to pay the Obligations or to comply with this Agreement or any Other Document in accordance with the terms hereof or thereof, (c) the value of any material portion of the Collateral, or Agent's Liens on the Collateral or the priority of any such Lien or (d) Agent's ability to realize on any material portion of the Collateral or otherwise enforce any of the material terms of this Agreement or any of the Other Documents, including on the validity, enforceability, or binding effect thereof. Notwithstanding that a particular event or condition may not itself constitute a Material Adverse Effect, a Material Adverse Effect shall be deemed to have occurred if the cumulative effect of one or more events or conditions gives rise to a material adverse effect with respect to one or more of the foregoing clauses (a) through (d).

"Material Contracts" shall have the meaning set forth in Section 5.21.

"Maximum Credit" shall mean $50,000,000 (subject to adjustment as provided pursuant to the terms of Section 2.19).

"Maximum Credit Increase Effective Date" shall have the meaning set forth in Section 2.19(c).

"Maximum Revolving Advance Amount" shall mean $50,000,000, as the same may be reduced or increased from time to time in accordance with this Agreement (including, without limitation, pursuant to any increase contemplated under Section 2.19).

"Maximum Revolving Advance Amount Reserves" shall mean Reserves to the extent that such Reserves are in respect of amounts that may be payable to third parties and for which Agent elects from time to time in its Permitted Discretion to institute such Reserves against the Maximum Credit in addition to instituting such Reserves against the Borrowing Base.

"Maximum Swingline Loan Advance Amount" shall mean $10,000,000.

"Missouri Collateral Access Agreement" shall mean that certain Landlord Waiver dated on or about the date hereof by and between Smith and Wesson Sales Company and Agent with resepect to the Missouri Location.

"Missouri Location" shall mean the premises leased by Parent at 1800 North Route Z, Columbia, Missouri, Boone County 65202.

"Money Borrowed" shall mean (a) Indebtedness for borrowed money arising from the lending of money by any Person to any Loan Party or any of their respective Subsidiaries, (b) Indebtedness, whether or not in any such case arising from the lending by any Person of money to any Loan Party or any of their respective Subsidiaries, (i) which is represented by notes payable or drafts accepted that evidence extensions of credit, (ii) which constitutes obligations evidenced by bonds, debentures, notes or similar instruments, or (iii) upon which interest charges are customarily paid (other than accounts payable) or that was issued or assumed as full or partial payment for property, (c) reimbursement obligations with respect to letters of credit or guaranties of letters of credit, and (d) Indebtedness of any Loan Party or any of their respective Subsidiaries under any guarantee of obligations that would constitute Indebtedness for Money Borrowed under clauses (a), (b) or (c) hereof, if owed directly by any Loan Party or any of their respective Subsidiaries.

"Mortgage" shall mean each of the mortgages, deeds of trust, leasehold mortgages, leasehold deeds of trust, collateral assignments of leases or other real estate security documents delivered by any Loan Party to Agent on behalf of itself and Lenders with respect to the Real Property, all in form and substance reasonably satisfactory to Agent.

"Mortgaged Real Property" shall mean the Real Property of Loan Parties that is subject to a Mortgage.

"Multiemployer Plan" shall mean a "multiemployer plan" as defined in Sections 3(37) and 4001(a)(3) of ERISA.

"Net Income" shall mean, for any period, the aggregate income (or loss) of Loan Parties and their Subsidiaries for such period, all computed and calculated in accordance with GAAP consistently applied on a consolidated basis.

"Net Liquidation Percentage" shall mean the percentage of the book value of Eligible Inventory that is estimated to be recoverable in an orderly liquidation of such Eligible Inventory, net of all associated costs and expenses of such liquidation, such percentage to be as determined from time to time by the most recent appraisal received by Agent, which appraisal shall (a) be reasonably satisfactory to Agent, (b) prepared by an appraisal company reasonably acceptable to Agent and (c) expressly provide that Agent is permitted to rely thereon.

"Non-Restricted Asset" shall have the meaning as set forth in the definition of Excluded Assets.

"Non-US Loan Party" shall mean a Loan Party other than a US Loan Party.

"Non-US Subsidiary" shall mean any Subsidiary other than a US Subsidiary.

"Note" or "Notes" shall mean, individually or collectively, the Revolving Credit Notes and the Swingline Loan Note.

"Notice of Conversion" shall mean a notice duly executed by a Responsible Officer of Administrative Loan Party appropriately completed and in substantially the form of Exhibit B.

"Obligations" shall mean and include (a) any and all of each Loan Party's Indebtedness and/or liabilities pursuant to or evidenced by this Agreement or any Other Documents to Agent, Lenders or any Issuer of every kind, nature and description, direct or indirect, secured or unsecured, joint, several, joint and several, absolute or contingent, due or to become due, now existing or hereafter arising, contractual or tortious, liquidated or unliquidated, regardless of how such indebtedness or liabilities arise (including all interest accruing after the commencement of any bankruptcy or similar proceeding whether or not enforceable in such proceeding) and all obligations of any Loan Party to Agent, Lenders or any Issuer to perform acts or refrain from taking any action under this Agreement or any Other Documents, (b) any and all of each Loan Party's Indebtedness and/or liabilities owing to TD Bank and/or any Affiliate Counterparty or any other Affiliate of TD Bank (including Swap Obligations) not otherwise set forth in clause (a) and (c) of this definition of Obligations, and (c) Bank Product Obligations solely for purposes of (x) Section 4.1 (and other Lien grants made by Loan Parties in the Other Documents to secure any and all of the Obligations) and (y) defining "Senior Indebtedness," "First Lien Indebtedness" or words of similar meaning in any subordination agreement or intercreditor agreement, in each case subject to the priority in right of payment set forth in Section 11.2; provided, that, as to any such Bank Product Obligations, the same shall only be included within the Obligations if (i) the

applicable Bank Product Provider, other than TD Bank and its Affiliates, and the applicable Loan Party shall have delivered prompt written notice to Agent (but in no event later than ten (10) Business Days) that (A) such Bank Product Provider has entered into a transaction to provide Bank Products to such Loan Party, (B) the maximum dollar amount of Obligations arising thereunder to be included as a Reserve (the "Bank Product Amount"), together with the methodology used by such parties in determining the Bank Product Amount, subject in all events, however, to Agent's right, in its Permitted Discretion, to establish such Reserve as Agent shall at any time determine is appropriate to reflect the reasonably anticipated liabilities and obligations of Loan Parties with respect to such Bank Product then provided or outstanding, and (C) the express agreement of such Bank Product Provider and such Borrower or such other Loan Party that the Bank Product Obligations arising pursuant to such Bank Products provided to such Borrower or such other Loan Party constitute Obligations entitled to the benefits of the Liens of Agent granted hereunder, and Agent shall have accepted such notice in writing, (ii) in no event shall any Bank Product Provider acting in such capacity to whom such Bank Product Obligations are owing be deemed a Lender for purposes hereof except with respect to the Lien granted in favor of Agent, for itself and on behalf of each Secured Party, and in no event shall the approval of any such Person in its capacity as Bank Product Provider be required in connection with the release or termination of any security interest or other Lien of Agent or with respect to any other matter governed by this Agreement or any Other Document, and (iii) Agent may terminate this Agreement and the Other Documents, along with any Liens granted under this Agreement and the Other Documents, without any notice to or consent by any Bank Product Provider, in its capacity as such, regardless of whether or not any Bank Product Obligations are outstanding. The Bank Product Amount may be changed from time to time upon written notice to Agent by a Bank Product Provider and any Loan Party owing Bank Product Obligations to such Bank Product Provider. No Bank Product Amount may be established or increased at any time that a Default or Event of Default exists, or if a Reserve in such amount would cause Borrowing Availability to be less than zero (0). Notwithstanding anything to the contrary contained in this definition, the Obligations shall exclude any Excluded Swap Obligation.

"OFAC" shall mean the U.S. Department of the Treasury's Office of Foreign Assets Control.

"Operating Account" or "Operating Accounts" shall mean, individually or collectively, the operating accounts established and maintained by Loan Parties and which are designated as such and listed on Schedule 5.23.

"Original Term" shall have the meaning set forth in Section 13.1.

"Other Documents" shall mean any Note, the Questionnaire, any Guarantee, any Collateral Access Agreement, the Fee Letter, the Credit Card Notifications, the Transition Services Performance Agreement, the Agreement Regarding Licensed Products and Other Inventory and any and all other agreements, instruments and documents, including, without limitation, guaranties, pledges, security agreements, mortgages, deeds of trust, debentures, control agreements, other collateral documents, subordination agreements, intercreditor agreements, powers of attorney, consents, and all other writings heretofore, now or hereafter executed and/or delivered by any Loan Party to Agent or any Lender in respect of the transactions contemplated by this Agreement, in each case, as such agreements, instruments and documents are amended, restated, modified or supplemented from time to time.

"Parent" shall mean American Outdoor Brands, Inc., a corporation organized under the laws of the State of Delaware.

"Participant" shall mean each Person who shall be granted the right by any Lender to participate in any of the Advances or Commitments of such Lender and who shall have entered into a participation agreement in form and substance reasonably satisfactory to such Lender.

"Patriot Act" shall have the meaning given to such term in Section 5.28.

"Payment Account" shall mean Agent's account set forth on Schedule 2.3 or such other account of Agent, if any, which Agent may designate by notice to Administrative Loan Party and to each Lender to be the Payment Account.

"Payment Conditions" shall mean, the satisfaction of each of the following conditions precedent, as determined by Agent, on the date of consummation of any proposed acquisition, distribution, dividend, investment or payment and, in each case, after giving pro forma effect thereto: (a) as of the date of any proposed acquisition, distribution, dividend, investment or payment and after giving effect thereto, no Default or Event of Default shall exist, (b) on a pro forma basis after giving effect to such proposed acquisition, distribution, dividend, investment or payment, Loan Parties would have been in compliance with the financial covenants set forth in Section 6.8 for the four (4) quarter period reflected in the Compliance Certificate most recently delivered to Agent pursuant to Section 9.7 prior to such proposed acquisition, distribution, dividend, investment or payment (after giving effect to such payment and all Advances funded in connection therewith as if made on the first (1st) day of such period), (c) for the thirty (30) consecutive day period immediately preceding each such proposed acquisition, distribution, dividend, investment or payment, Loan Parties shall have had average Excess Availability of not less than the greater of (i) 25% of the Line Cap, and (ii) $10,000,000, (d) as of the date of each such proposed acquisition, distribution, dividend, investment or payment and after giving effect thereto, Loan Parties shall have Excess Availability of not less than the greater of (i) 25% of the Line Cap, and (ii) $10,000,000, and (e) with respect to each proposed acquisition, distribution, dividend, investment or payment, Loan Parties shall have provided Agent with ten (10) Business Days prior written notice of such proposed acquisition, distribution, dividend, investment or payment, accompanied by a certificate executed by a Responsible Officer of Administrative Loan Party, certifying to Agent as to the satisfaction of all Payment Conditions for such proposed acquisition, distribution, dividend, investment or payment, together with a calculation of the requisite Excess Availability, which certificate shall be in form and substance reasonably satisfactory to Agent.

"Payment in Full" or "Paid in Full" shall mean (a) all Commitments have been terminated or expired and (b) all of the Obligations have been paid in full in cash (or with respect to this clause (b), (i) in the case of outstanding Letters of Credit, Borrowers have furnished to Agent either, (A) the original Letter of Credit from the beneficiary thereof for immediate and complete termination or (B) as selected by Agent, either (1) cash collateral in an amount not less than one hundred and

five (105%) percent of the aggregate undrawn amount of all Letters of Credit (pursuant to cash collateral arrangements to be in form and substance reasonably satisfactory to Agent) or (2) back-up letters of credit in form and substance reasonably satisfactory to Agent, and from an issuer reasonably acceptable to Agent, in an amount not less than one hundred and five (105%) percent of the aggregate undrawn amount of all Letters of Credit and (ii) in the case of any other contingent Obligations (including without limitation Bank Product Obligations, except to the extent not required by Agent), each Loan Party shall have furnished Agent and Lenders with cash collateral or an indemnification from a Person, and pursuant to terms and conditions, in each case which are satisfactory to Agent in all respects).

"PBGC" shall mean the Pension Benefit Guaranty Corporation.

"Permitted Acquisition" shall mean the purchase by a Loan Party or after the date hereof of all or substantially all of the assets or property or all of the Equity Interests of any Person or any business unit or division of such Person (such assets or Person being referred to herein as the "Target"), or the merger with a Target by a Loan Party, subject to the satisfaction of each of the following conditions:

(a) Agent shall receive at least thirty (30) days' prior written notice of such proposed Permitted Acquisition, which notice shall include a reasonably detailed description of such proposed Permitted Acquisition;

(b) the Target's assets shall only comprise a business of the type engaged in by Loan Parties as of the date hereof or ancillary businesses reasonably related to the business engaged in by Loan Parties as of the date hereof, and which business would not subject Agent or any Lender to regulatory or third party approvals in connection with the exercise of its rights and remedies under this Agreement or any Other Documents other than approvals applicable to the exercise of such rights and remedies with respect to Loan Parties prior to such proposed Permitted Acquisition;

(c) the total cash and non-cash consideration paid by Loan Parties and their Subsidiaries (including, without limitation, assumption or incurrence of all Indebtedness (including without limitation earn-outs and deferred purchase price obligations) for (i) all Permitted Acquisitions shall not exceed $100,000,000 in the aggregate during the Term or (ii) any Permitted Acquisition shall not exceed $25,000,000 unless the average cash and Cash Equivalents held by the Loan Parties exceeded $25,000,000 on the date of and the three (3) months preceding the proposed Permitted Acquisition (the "Average Cash"), whereupon, the limit shall be increased by the Average Cash in excess of $25,000,000;

(d) subject to the limitation in clause (c) immediately above and all of the other terms and conditions of this Agreement, Borrowers may use proceeds of Revolving Advances in an aggregate amount not to exceed (i) $35,000,000 in the aggregate during the Term to fund the consideration paid by Loan Parties in all Permitted Acquisitions or (ii) $10,000,000 to fund the consideration paid by Loan Parties in any single Permitted Acquisition; provided, that, Excess Availability (A) for the thirty (30) consecutive day period immediately prior to the date of the consummation of such proposed Permitted Acquisition is not less than $12,500,000 and (B) is not less than $10,000,000 on the date of and after giving effect to any such proposed Permitted Acquisition;

(e) Loan Parties and their Subsidiaries (including the Target), on a consolidated basis, shall have a Fixed Charge Coverage Ratio (calculated as provided in Section 6.8) of at least 1.1:1.0 on the date of and on a pro forma basis for the trailing twelve (12) month period after giving effect to such proposed Permitted Acquisition;

(f) Target must have a positive EBITDA on a pro forma basis for the trailing twelve (12) month period after giving effect to such proposed Permitted Acquisition;

(g) at or prior to the closing of such proposed Permitted Acquisition, Agent, for the ratable benefit of each Secured Party, will be granted a first priority perfected security interest and lien (subject to Permitted Encumbrances having priority by operation of law) in all assets and Equity Interests (other than Excluded Assets) acquired in connection therewith and each Person acquired in connection therewith shall have joined this Agreement as a Guarantor and each Loan Party and each Person acquired in connection therewith shall have executed (or caused to be executed) such documents and taken such actions as may be required by Agent in its Permitted Discretion in connection therewith;

(h) such proposed Permitted Acquisition shall not be hostile and, prior to its closing, shall have been approved by the board of directors (or other similar body) and/or the stockholders or other equity holders of the Target;

(i) such proposed Permitted Acquisition shall only involve assets located in the United States;

(j) all material consents necessary for such proposed Permitted Acquisition (including such consents as Agent deems reasonably necessary) have been acquired and such proposed Permitted Acquisition is consummated in accordance with the applicable acquisition documents and applicable law;

(k) each of the representations and warranties made by any Loan Party in or pursuant to this Agreement and any Other Document to which it is a party, and each of the representations and warranties contained in any certificate, document or financial or other statement furnished at any time under or in connection with this Agreement or any Other Document shall be true and correct in all material respects (without duplication of any materiality qualifiers already set forth therein) on and as of such date such proposed Permitted Acquisition is consummated both before and after giving effect thereto as if made on and as of such date, except to the extent that such representations and warranties expressly relate solely to an earlier date (in which case such representations and warranties shall have been true and correct in all material respects (without duplication of any materiality qualifiers already set forth therein) on and as of such earlier date);

(l) Administrative Loan Party shall have delivered to Agent, in form and substance reasonably satisfactory to Agent:

(A) a pro forma consolidated balance sheet, income statement and cash flow statement of Parent and its Subsidiaries (the "Acquisition Pro Forma"), based on recent financial statements, which shall be complete and shall fairly present in all material respects the assets, liabilities, financial condition and results of operations of Parent and its Subsidiaries in accordance with GAAP consistently applied, but taking into account such proposed Permitted Acquisition and the funding of all Advances in connection therewith, and such Acquisition Pro Forma shall reflect that (x) Excess Availability criteria set forth above has been satisfied, and (y) on a pro forma basis, no Default or Event of Default has occurred and is continuing or would result after giving effect to such proposed Permitted Acquisition and Borrowers would have been in compliance with the financial covenants set forth in Section 6.8 for the four (4) quarter period reflected in the Compliance Certificate most recently delivered to Agent pursuant to Section 9.7 prior to the consummation of such proposed Permitted Acquisition (after giving effect to such proposed Permitted Acquisition and all Advances funded in connection therewith as if made on the first (1st) day of such period);

(B) updated versions of the most recently delivered projections delivered pursuant to Section 5.5(b) covering the one (1) year period commencing on the date of such proposed Permitted Acquisition and otherwise prepared in accordance with such projections (the "Acquisition Projections") and based upon historical financial data of a recent date reasonably satisfactory to Agent, taking into account such proposed Permitted Acquisition; and

(C) a certificate of the chief financial officer of Parent and each Borrower to the effect that: (1) each Loan Party (after taking into consideration all rights of contribution and indemnity such Loan Party has against each other Loan Party) will be Solvent upon the consummation of such proposed Permitted Acquisition; (2) the Acquisition Pro Forma fairly presents the financial condition of Loan Parties and their Subsidiaries (on a consolidated and consolidating basis) as of the date thereof after giving effect to such proposed Permitted Acquisition; (3) the Acquisition Projections are reasonable estimates of the future financial performance of Loan Parties and their Subsidiaries subsequent to the date thereof based upon the historical performance of Loan Parties, their Subsidiaries and the Target and show that Loan Parties and their Subsidiaries shall continue to be in compliance with the financial covenants set forth in Section 6.8 for the remainder of the Term; and (4) Loan Parties have completed their due diligence investigation with respect to the Target and such proposed Permitted Acquisition, which investigation was conducted in a manner similar to that which would have been conducted by a prudent purchaser of a comparable business and the results of which investigation were delivered to Agent and Lenders;

(m) on or prior to the date of such proposed Permitted Acquisition, Agent shall have received, in form and substance reasonably satisfactory to Agent, copies of the acquisition agreement (which shall allow collateral assignments of Loan Parties rights thereunder in favor of Agent and Lenders) or merger agreement, as applicable, and all related agreements and instruments, and all opinions, certificates, lien search results and other documents reasonably requested by Agent; and

(n) concurrently with consummation of such proposed Permitted Acquisition, Administrative Loan Party shall have delivered to Agent a certificate stating that the foregoing conditions have been satisfied.

Notwithstanding anything to the contrary contained in this definition, if Administrative Loan Party requests that any assets acquired pursuant to any Permitted Acquisition be included in the Borrowing Base, Agent shall initiate, within thirty (30) days of such request, an appraisal, field examination or collateral audit (as the case may be) with respect to the business and assets of the Target in accordance with Agent's customary procedures and practices and as otherwise required by the nature and circumstances of the business of the Target, the scope and results of which shall be reasonably satisfactory to Agent, and which shall have been completed, before such assets may be included in the Borrowing Base. Any Accounts or Inventory of the Target shall only be Eligible Accounts or Eligible Inventory to the extent that (i) Agent has so completed such appraisal, field examination or collateral audit (as the case may be) with respect thereto, and (ii) the criteria for Eligible Accounts or Eligible Inventory (as applicable) set forth herein are satisfied with respect thereto in accordance with this Agreement.

"Permitted Discretion" shall mean a determination made by Agent in the exercise of reasonable (from the perspective of an asset-based secured lender) business judgment.

"Permitted Encumbrances" shall mean:

(a) Liens in favor of Agent for the benefit of each Secured Party, which, in each case, secure Obligations;

(b) Liens for taxes, assessments or other governmental charges ("Tax Lien") not delinquent or being contested in good faith and by appropriate proceedings by the applicable Loan Party or Subsidiary of a Loan Party and with respect to which proper reserves have been taken by Loan Parties and the Subsidiaries; provided, that, the Tax Lien shall have no effect on the priority of the Liens in favor of Agent or the value of the Collateral in which Agent has such a Lien and a stay of enforcement of any such Tax Lien shall be in effect;

(c) deposits or pledges to secure obligations under worker's compensation, social security or similar laws, or under unemployment insurance, in each case made in the ordinary course of business and excluding deposits, liens or pledges under ERISA;

(d) deposits or pledges of cash to secure bids, tenders, contracts (other than contracts for the payment of money), leases, statutory obligations, surety and appeal bonds and other obligations of like nature arising in the ordinary course of the applicable Loan Party's or Subsidiary's business;

(e) mechanics', workers', materialmen's, carriers', warehousemen's, landlords or other like Liens arising by operation of law and in the ordinary course of the applicable Loan Party's or Subsidiary's business with respect to obligations which are (i) not due or (ii) being contested in good faith and by appropriate proceedings by the applicable Loan Party or Subsidiary of a Loan Party and with respect to which proper reserves have been taken by Loan Parties and the Subsidiaries; provided, that, the such Lien shall have no effect on the priority of the Liens in favor of Agent or the value of the Collateral in which Agent has such a Lien and a stay of enforcement of any such Lien shall be in effect;

(f) Liens placed upon fixed assets hereafter acquired by any Loan Party or any Subsidiary to secure a portion of the purchase price thereof; provided, that, (i) any such Lien shall not encumber any other property of Loan Parties or their Subsidiaries and (ii) the aggregate amount secured by such Liens shall not exceed the applicable amount provided for in Section 7.8(b);

(g) Liens in existence on the date hereof that are disclosed on Schedule 7.2;

(h) Liens on amounts not exceeding $250,000 in the aggregate deposited as security for surety or appeal bonds in connection with obtaining such bonds in the ordinary course of business;

(i) with respect to any Real Property, Liens consisting of easements, rights of way and zoning restrictions that do not materially interfere with or impair the use or operation thereof;

(j) Liens on Depository Accounts granted or arising in the ordinary course of business in favor of depositary banks maintaining such Depository Accounts solely to the extent they secure customary account fees and charges payable in respect of such Depository Accounts;

(k) non-consensual statutory Liens (other than Liens securing the payment of taxes or ERISA matters) arising in the ordinary course of a Loan Party or Subsidiary's business; provided, that, such Liens do not secure Indebtedness or any other amounts in excess of $500,000 in the aggregate which are past due;

(l) Liens arising from (i) operating leases with respect to assets which are not owned by any Loan Party or any Subsidiary and the precautionary UCC financing statement filings in respect thereof and (ii) equipment or other materials which are not owned by any Loan Party or Subsidiary located on the premises of such Loan Party or Subsidiary (but not in connection with, or as part of, the financing thereof) from time to time in the ordinary course of business and consistent with current practices of Loan Parties and their Subsidiaries and the precautionary UCC financing statement filings in respect thereof;

(m) judgments and other similar Liens arising in connection with court proceedings that do not constitute an Event of Default;

(n) Liens of a collection bank arising under Section 4-210 of the UCC on items in the course of collection;

(o) Liens in favor of customs and revenue authorities arising as a matter of law to secure custom duties which are not past due in connection with the importation of goods by Loan Parties or their Subsidiaries in the ordinary course of business;

(p) Liens on specific fixed assets (as opposed to any blanket lien on any asset type) acquired pursuant to a Permitted Acquisition in existence at the time such assets are acquired pursuant to such Permitted Acquisition and not created in contemplation thereof; provided, that, such Liens do not encumber any Accounts, Inventory or other assets included in the Borrowing Base, and such Liens do not attach to any assets other than the assets acquired pursuant to such Permitted Acquisition;

(q) receipt of deposits and advances from customers in the ordinary course of business which may create an interest in the Inventory to be sold to such customers, but which do not constitute contractual Liens granted by a Loan Party or any Subsidiary;

(r) Liens granted by any Loan Party to any Receivable Purchaser pursuant to any Receivable Financing Documents, provided, that, such Liens attach only to Permitted Factored Accounts transferred to the applicable Receivable Purchaser under the applicable Receivable Financing Documents and to proceeds thereof and such Receivable Purchaser has entered into a Lien Release and Assignment of Proceeds Agreement and provided further, that such Lien Release and Assignment of Proceeds Agreement shall remain in full force and effect and enforceable in accordance with its terms; and

(s) Liens of any counterparty to a Hedging Agreement to secure the Indebtedness permitted under Section 7.8(e).

"Permitted Factored Account" shall mean any Account which is not an otherwise Eligible Account as a result of such Account being due or unpaid more than three hundred and sixty-five (365) days after the original invoice date.

"Person" shall mean any individual, sole proprietorship, partnership, corporation, company, business trust, joint stock company, trust, unincorporated organization, association, limited liability company, institution, public benefit corporation, joint venture, entity or government (whether federal, state, county, city, municipal or otherwise, including any instrumentality, division, agency, body or department thereof).

"Plan" shall mean any employee benefit plan within the meaning of Section 3(3) of ERISA, maintained for employees of Loan Parties or any member of the Controlled Group or any such Plan to which any Loan Party or any member of the Controlled Group is required to contribute on behalf of any of its employees.

"Pledge Agreements" shall mean, collectively (a) that Pledge Agreement dated as of the date of this Agreement, by Parent in favor of Agent with respect to the pledge of Equity Interests in certain Subsidiaries of the pledgor thereunder, (b) that Pledge Agreement dated as of the date of this Agreement, by AOB Products in favor of Agent with respect to the pledge of Equity Interests in certain Subsidiaries of the pledgor thereunder, (c) that Pledge Agreement dated as of the date of this Agreement, by Battenfeld in favor of Agent with respect to the pledge of Equity Interests in certain Subsidiaries of the pledgor thereunder, and (d) that Pledge Agreement dated as of the date of this Agreement, by AOBC Asia in favor of Agent with respect to the pledge of Equity Interests in certain Subsidiaries of the pledgor thereunder.

"Prior Defaulting/Impacted Lender" shall mean, as of any date, a Lender that is not then a Defaulting Lender or an Impacted Lender but was a Defaulting Lender or an Impacted Lender at any time during the past three hundred and sixty-five 365 days.

"Prime Rate" shall mean the "Prime Rate" of interest as published in the "Money Rates" section of *The Wall Street Journal* on the applicable date (or the highest "Prime Rate" if more than one is published) as such rate may change from time to time.

"Pro Forma Balance Sheet" shall have the meaning set forth in Section 5.5(a).

"Protective Advances" shall have the meaning set forth in Section 2.11.

"Purchasing Lender" shall have the meaning set forth in Section 16.3(c).

"Qualified Assignee" shall mean (a) any Lender (other than a Defaulting Lender, an Impacted Lender or a Prior Defaulting/Impacted Lender), any Controlled Affiliate of any Lender (other than a Defaulting Lender, an Impacted Lender or a Prior Defaulting/Impacted Lender), any direct or indirect Subsidiary or Affiliate of TD Bank US Holding Company, any transferee, successor or assign of any Lender and any Approved Fund (other than with respect to a Defaulting Lender, an Impacted Lender or a Prior Defaulting/Impacted Lender); and (b) any other Person consented to by (i) Agent, which consent of Agent shall not be unreasonably withheld, conditioned or delayed, and (ii) so long as no Event of Default has occurred and is continuing and such assignment is not being made in connection with an assignment, sale or transfer of a portfolio of loans by the assigning, selling or transferring Lender, by Administrative Loan Party, which consent of Administrative Loan Party shall not be unreasonably withheld, conditioned or delayed (except, that, Administrative Loan Party, for itself and on behalf of Borrowers, shall be deemed to have consented to any such assignment unless Administrative Loan Party shall have objected thereto by written notice to Agent within five (5) Business Days after having received notice thereof); provided, that, (A) neither any Loan Party nor any Affiliate of any Loan Party shall qualify as a Qualified Assignee unless consented to by Agent in its sole discretion, (B) no Person (or Affiliate of such Person) proposed to become a Lender after the Closing Date that holds any (x) Indebtedness that is contractually subordinated to any or all of the Obligations, (y) secured Indebtedness that is subject to any contractual Lien subordination to the Liens securing any or all of the Obligations or (z) Equity Interests issued by any Loan Party shall be a Qualified Assignee unless consented to by Agent in its sole discretion, and (C) no Person proposed to become a Lender after the Closing Date and determined by Agent to be acting in the capacity of a vulture fund or distressed debt purchaser shall be a Qualified Assignee unless consented to by Agent in its sole discretion.

"Qualified ECP Guarantor" means, in respect of any Swap Obligation, each Loan Party that has total assets exceeding $10,000,000 at the time the relevant Guarantee or grant of the relevant security interest becomes effective with respect to such Swap Obligation or such other person as constitutes an "eligible contract participant" under the Commodity Exchange Act or any regulations promulgated thereunder and can cause another person to qualify as an "eligible contract participant" at such time by entering into a keep well under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

"Qualified Equity Interests" means and refers to any Equity Interests issued by Parent and not by one or more of its Subsidiaries) that is not a Disqualified Equity Interest.

"Qualified Plan" shall mean a Plan that is intended to be tax qualified under Section 401(a) of the Code.

"Quarterly Average Excess Availability" shall mean, for any calendar quarter, the daily average of the Excess Availability for the immediately preceding calendar quarter, as calculated by Agent in accordance with this Agreement.

"Questionnaire" shall mean each of the Information Certificates, each dated as of the date hereof, executed by each Loan Party in favor of Agent.

"RCRA" shall mean the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 et seq., as same may be amended from time to time.

"Real Property" shall mean all of each Loan Party and each of their Subsidiary's right, title and interest in and to its owned and leased premises.

"Receivable Financing Agreement" means any agreement that is either entered into or assumed after the date of this Agreement between any Loan Party and any Receivable Purchaser, providing for, inter alia, the sale of Permitted Factored Accounts by such Loan Party to such Receivable Purchaser.

"Receivable Financing Documents" means, collectively, any Receivable Financing Agreement and any Lien Release and Assignment Agreement, together with any and all agreements, documents, guarantees and instruments at any time executed and/or delivered by any Loan Party with, to or in favor of a Receivable Purchaser in connection therewith or related thereto, as all of the foregoing may be amended, restated, supplemented or otherwise modified from time to time.

"Receivable Purchasers" means any purchaser of accounts receivable under any Receivable Financing Agreement.

"Receivables" shall mean and include, as to each Loan Party and each Subsidiary of each Loan Party, all of such Loan Party's and Subsidiary's Accounts, Contract Rights, instruments (including promissory notes and instruments evidencing indebtedness owed to Loan Parties and their Subsidiaries by their Affiliates), documents, chattel paper (whether tangible or electronic), general intangibles relating to Accounts, drafts and acceptances, and all other forms of obligations owing to such Loan Party and Subsidiary arising out of or in connection with the sale, lease or other disposition of Inventory or the rendition of services, all guarantees and other security therefor, whether secured or unsecured, now existing or hereafter created, and whether or not specifically sold or assigned to Agent hereunder.

"Release" shall have the meaning set forth in Section 5.7(c).

"Relevant Governmental Body" shall have the meaning set forth in Section 3.9.

"Reportable Event" shall mean a reportable event described in Section 4043(b) of ERISA or the regulations promulgated thereunder.

"Required Lenders" shall mean (a) if there are three (3) or more Lenders, at least two (2) or more Lenders having Commitment Percentages which exceeds fifty (50%) percent in the aggregate, and (b) if there are either one (1) or two (2) Lenders, all Lenders.

"Reserves" shall mean such reserves as Agent may from time to time establish in its Permitted Discretion, including, without limitation, reserves for (a) matters that could adversely affect the Collateral, its value, the amount that Agent and Lenders might receive from the sale or other disposition thereof or the ability of Agent to realize thereon, or Agent's ability to realize on the Collateral, (b) sums that Loan Parties or any of their Subsidiaries are required to pay under any provision of this Agreement or any Other Document or otherwise (such as taxes, assessments, payroll, insurance premiums, amounts owing to customs brokers, or, in the case of leased assets, rents or other amounts payable under such leases or, in the case of license agreements, royalties or other amounts payable under such license agreements), (c) amounts owing by any Loan Party or any Subsidiary to any Person to the extent secured by a Lien on, or trust over, any of the Collateral or over any assets or properties of any Customer of any Loan Party or any Subsidiary (such as Liens or trusts in favor of landlords, warehousemen, carriers, mechanics, materialmen, laborers, or suppliers, or Liens or trusts for ad valorem, income, payroll, excise, sales, pension plan obligations or other taxes), including without limitation any Permitted Encumbrance, (d) amounts believed by Agent to be necessary to provide for possible inaccuracies, in any report or in any information provided to Agent pursuant to this Agreement, (e) dilution with respect to Accounts of Borrowers (based on the ratio of the aggregate amount of non-cash reductions in Accounts of Borrowers for any period to the aggregate dollar amount of sales of Borrowers for such period) calculated by Agent for any period that is or is reasonably anticipated to be greater than five (5%) percent, (f) Bank Product Obligations to the extent that such Bank Product Obligations constitute Obligations as such term is defined herein or otherwise receive the benefit of the security interest of Agent in any Collateral, (g) the occurrence or continuance of a Default of Event of Default; or (h) the occurrence or continuance of adverse conditions or events with respect to one or more components of the Borrowing Base, or the assets, business, financial condition, or performance of Borrowers.

"Responsible Officer" shall mean with respect to any Person, such Person's chief executive officer, president, chief operating officer, chief financial officer or other officer having substantially the same authority and responsibility with respect to the matters at hand (or having substantially the same knowledge of the contents of the certificate, document or other document being delivered).

"Restricted Accounts" shall mean deposit accounts or other accounts (a) established and used (and at all times will be used) solely for the purpose of paying current payroll obligations of Loan Parties (and which do not (and will not at any time) contain any deposits other than those necessary to fund current payroll), in each case in the ordinary course of business, (b) maintained (and at all times will be maintained) solely in connection with an employee benefit plan, but solely to the extent that all funds on deposit therein are solely held for the benefit of, and owned by, employees (and will continue to be so held and owned) pursuant to such plan, and (c) used in the

ordinary course of business for petty cash, the balance of which shall not exceed $250,000 in the aggregate at any time and, in connection with all Non-US Subsidiaries, shall not exceed $50,000 in the aggregate at any time; provided, that, without limiting the foregoing, in order for any such deposit account or other account to constitute a "Restricted Account", such deposit or other account must be expressly designated as a "Restricted Account" on Schedule 5.23 (as such schedule may from time to time be updated in accordance with Section 5.23), which designation shall constitute a representation and warranty by each Loan Party that such deposit account or other account satisfies the criteria set forth in this definition to constitute a "Restricted Account".

"Restricted Asset" shall have the meaning as set forth in the definition of Excluded Assets.

"Restriction" shall have the meaning as set forth in the definition of Excluded Assets.

"Revolver Commitment" shall mean, with respect to each Lender, its Revolver Commitment, and, with respect to all Lenders, their Revolver Commitments, and without duplication, the commitment of each Lender to purchase a participation in the Swingline Loan Advances pursuant to Section 2.4, in each case, in the aggregate amounts set forth beside such Lender's name under the applicable heading on Schedule C-1 or in the Commitment Transfer Supplement pursuant to which such Lender became a Lender hereunder, as such amounts may be reduced or increased from time to time pursuant to assignments made in accordance with the provisions of this Agreement including, without limitation, pursuant to any increase contemplated under Section 2.19.

"Revolving Advances" shall mean Advances made pursuant to Section 2.1 (and shall also include Protective Advances and Swingline Loan Advances to the extent the context implies such).

"Revolving Credit Note" shall have the meaning set forth in Section 2.1(a).

"Sanctioned Entity" means (a) a country or territory or a government of a country or territory, (b) an agency of the government of a country or territory, (c) an organization directly or indirectly controlled by a country or territory or its government, or (d) a Person resident in or determined to be resident in a country or territory, in each case of clauses (a) through (d) that is a target of Sanctions, including a target of any country sanctions program administered and enforced by OFAC.

"Sanctioned Person" means, at any time (a) any Person named on the list of Specially Designated Nationals and Blocked Persons maintained by OFAC, OFAC's consolidated Non-SDN list or any other Sanctions-related list maintained by any Governmental Authority, (b) a Person or legal entity that is a target of Sanctions, (c) any Person operating, organized or resident in a Sanctioned Entity, or (d) any Person directly or indirectly owned or controlled (individually or in the aggregate) by or acting on behalf of any such Person or Persons described in clauses (a) through (c) above.

"Sanctions" means individually and collectively, respectively, any and all economic sanctions, trade sanctions, financial sanctions, sectoral sanctions, secondary sanctions, trade embargoes anti-terrorism laws and other sanctions laws, regulations or embargoes, including those imposed, administered or enforced from time to time by: (a) the United States of America, including those administered by OFAC, the U.S. Department of State, the U.S. Department of Commerce, or through any existing or future executive order, (b) the United Nations Security Council, (c) the European Union or any European Union member state, (d) Her Majesty's Treasury of the United Kingdom, or (d) any other Governmental Body with jurisdiction over any of Lenders or any of their respective Subsidiaries or Affiliates or any Loan Party or any of their respective Subsidiaries or Affiliates.

"Secured Party" shall mean Agent, any Affiliate Counterparty to any Obligations, Lenders, Issuer and Bank Products Provider; sometimes hereinafter collectively referred to as "Secured Parties".

"Settlement Date" shall mean the Closing Date and thereafter every Business Day designated by Agent as a "Settlement Date" by notice from Agent to each Lender, but not less frequently than weekly.

"SOFR" shall have the meaning set forth in Section 3.9.

"Solvent" shall mean, at any time with respect to any Person, that at such time such Person (a) is able to pay its debts as they mature and has (and has a reasonable basis to believe it will continue to have) sufficient capital (and not unreasonably small capital) to carry on its business consistent with its practices as of the date hereof, (b) is "solvent" or not "insolvent", as applicable within the meaning given those terms and similar terms under applicable laws relating to fraudulent transfers and conveyances, and (c) the assets and properties of such Person at a fair valuation (and including as assets for this purpose at a fair valuation all rights of subrogation, contribution or indemnification arising pursuant to any guarantees given by such Person) are greater than the Indebtedness of such Person, and including subordinated and contingent liabilities computed at the amount which, such Person has a reasonable basis to believe, represents an amount which can reasonably be expected to become an actual or matured liability (and including as to contingent liabilities arising pursuant to any guarantee the face amount of such liability as reduced to reflect the probability of it becoming a matured liability, irrespective of whether such contingent liabilities meet the criteria for accrual under Statement of Financial Accounting Standard No. 5).

"Specified Default" shall mean any Event of Default under (a) Section 10.1(a) , (b) Section 10.2 but only with respect to the failure to observe any covenant or other agreement contained in Section 2.14, Section 4.14(h), Section 6.2, Section 6.3, Section 6.8, Section 9.2(c), Section 9.7, Section 9.8, or Section 9.9, (c) Section 10.3 with respect to any material inaccuracy in any Borrowing Base Certificate, or (d) Section 10.6.

"Statutory Reserves" shall mean for any Interest Period for any LIBOR Rate Loan, the average maximum rate at which reserves (including any marginal, supplemental or emergency reserves) are required to be maintained during such Interest Period under Regulation D by member banks of the United States Federal Reserve System in New York City with deposits exceeding one billion Dollars against "Eurocurrency liabilities" (as such term is used in Regulation D). LIBOR Rate Loans shall be deemed to constitute Eurodollar liabilities and to be subject to such reserve requirements without benefit of or credit for proration, exceptions or offsets which may be available from time to time to any Lender under Regulation D.

"Subordinated Debt" shall mean the subordinated Indebtedness described in Section 7.8(i).

"Subsidiary" shall mean, with respect to any Person, a corporation, partnership, limited liability company or other entity of which such Person owns, directly or indirectly, such number of outstanding shares or other equity interests as to have more than 50% of the ordinary voting power for the election of directors or other managers of such corporation, partnership, limited liability company or other entity. Unless the context otherwise requires, each reference to Subsidiaries herein shall be a reference to Subsidiaries of Borrowers.

"Swap Obligation" means, with respect to any Loan Party, any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of section 1a(47) of the Commodity Exchange Act.

"Swingline Lender" shall TD Bank or any other Lender that, at the request of Borrowers and with the consent of Agent, agrees, in such Lender's sole discretion, to become the Swingline Lender under Section 2.4.

"Swingline Loan Advances" shall mean each Revolving Advance converted by Agent to a Swingline Loan Advance pursuant to Section 2.1(c).

"Swingline Loan Commitment" shall mean, with respect to TD Bank, its Swingline Commitment as set forth besides its name under the applicable heading on Schedule C-1.

"Swingline Loan Interest Rate" shall mean an interest rate per annum equal to the Revolver Interest Rate applicable to Base Rate Loans that are Revolver Advances.

"Swingline Loan Note" shall have the meaning set forth in Section 2.1(c).

"Target" shall have the meaning as set forth in the definition of Permitted Acquisition.

"Tax" or "Taxes" shall mean any tax, fee, premium, charge, duty, escheat or other amount imposed by a Governmental Body and any interest, penalty, or addition to tax imposed with respect thereto or any applicable law, treaty, regulation or directive.

"Tax Lien" shall have the meaning as set forth in the definition of Permitted Encumbrances.

"TD Bank" shall have the meaning set forth in the preamble to this Agreement and shall include its successors and assigns.

"TD Bank Operating Account" shall mean Agent's account set forth on Schedule 2.3 or such other account of Agent, if any, which Agent may designate by notice to Administrative Loan Party and to each Lender to be the TD Bank Operating Account.

"Term" shall mean the period commencing on the Closing Date and ending on the Termination Date.

"Term SOFR"-Section 3.9.

"Termination Date" shall have the meaning set forth in Section 13.1.

"Termination Event" shall mean (a) a Reportable Event with respect to any Plan or Multiemployer Plan; (b) the withdrawal of any Loan Party or any of their Subsidiaries or any member of the Controlled Group from a Plan or Multiemployer Plan during a plan year in which such entity was a "substantial employer" as defined in Section 4001(a)(2) of ERISA; (c) the providing of notice of intent to terminate a Plan in a distress termination described in Section 4041(c) of ERISA; (d) the institution by the PBGC of proceedings to terminate a Plan or Multiemployer Plan; (e) any event or condition (i) which might constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan or Multiemployer Plan, or (ii) that may result in termination of a Multiemployer Plan pursuant to Section 4041A of ERISA; or (f) the partial or complete withdrawal within the meaning of Sections 4203 and 4205 of ERISA, of any Loan Party, any Subsidiary thereof or any member of the Controlled Group from a Multiemployer Plan.

"Test Period" means, for any date of determination under this Agreement, the 12 consecutive fiscal months of Parent most recently ended as of such date of determination for which financial statements were required to have been delivered pursuant to Section 9.8 of this Agreement.

"Title IV Plan" shall mean a Plan (other than a Multiemployer Plan), that is covered by Title IV of ERISA, and that any Loan Party or ERISA Affiliate maintains, contributes to or has an obligation to contribute to on behalf of participants who are or were employed by any of them.

"Toxic Substance" shall mean and include any material present on the Real Property or the leasehold interests which has been shown to have significant adverse effect on human health or which is subject to regulation under the Toxic Substances Control Act (TSCA), 15 U.S.C. §§ 2601 et seq., applicable state or other law, or any other applicable federal, state or other laws now in force or hereafter enacted relating to toxic substances. "Toxic Substance" includes but is not limited to asbestos, polychlorinated biphenyls (PCBs) and lead-based paints.

"Transition Services Agreement" means the Transition Services Agreement, dated as of August 21, 2020, among Smith & Wesson Brands, Inc. and Parent.

"Transition Services Performance Agreement" shall mean the Transition Services Performance Agreement dated on or about the date hereof, among Smith & Wesson Brands, Inc., Agent and Parent.

"Transferee" shall have the meaning set forth in Section 16.3(b).

"UCC" shall mean the Uniform Commercial Code as in effect in the State of New York from time to time.

"Unadjusted Benchmark Replacement" shall have the meaning set forth in Section 3.9.

"Unfunded Pension Liability" shall mean, at any time, the aggregate amount, if any, of the sum of (a) the amount by which the present value of all accrued benefits under each Title IV Plan exceeds the fair market value of all assets of such Title IV Plan allocable to such benefits in accordance with Title IV of ERISA, all determined as of the most recent valuation date for each such Title IV Plan using the actuarial assumptions for funding purposes in effect under such Title IV Plan, and (b) for a period of five (5) years following a transaction which might reasonably be expected to be covered by Section 4069 of ERISA, the liabilities (whether or not accrued) that could be avoided by any Loan Party or any ERISA Affiliate as a result of such transaction.

"US Loan Party" shall mean a Loan Party organized, incorporated or otherwise formed under the laws of the United States or any state thereof or the District of Columbia.

"US Subsidiary" shall mean a Subsidiary organized, incorporated or otherwise formed under the laws of the United States or any state thereof or the District of Columbia.

"Value" shall mean, as determined by Agent in its Permitted Discretion, with respect to Inventory, the lower of (a) cost computed on a first-in first-out basis in accordance with GAAP consistently applied or (b) market value; provided, that, for purposes of the calculation of the Borrowing Base, (i) the Value of the Inventory shall not include: (A) the portion of the value of Inventory equal to the profit earned by any Affiliate on the sale thereof to any Borrower or (B) write-ups or write-downs in value with respect to currency exchange rates and (ii) notwithstanding anything to the contrary contained herein, the cost of the Inventory shall be computed in the same manner and consistent with the most recent appraisal of the Inventory received and accepted by Agent for the purposes of this Agreement (which appraisal must be performed by an appraisal company selected by Agent using assumptions and appraisal methods acceptable to Agent, pursuant to an appraisal report acceptable to Agent on which Agent is expressly permitted to rely).

"Waterfall Event" shall mean the occurrence of (a) failure by Borrowers to repay all of the Obligations as of the end of the Term or after the Obligations have been accelerated, or (b) an Event of Default and the election by Agent or the Required Lenders to require that payments and proceeds of Collateral be applied pursuant to Section 11.2(b).

"Week" shall mean the time period commencing with the opening of business on a Monday and ending on the end of business the following Sunday.

"Write-Down and Conversion Powers" means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

1.3 Uniform Commercial Code Terms.

All terms used herein and defined in the UCC, including, the terms accessions, account debtor, certificated security, chattel paper, commercial tort claim, deposit account, document, electronic chattel paper, equipment, financial asset, fixtures, goods, health-care-insurance receivable, inventory, instrument, investment property, letter-of-credit rights, payment intangibles, proceeds, securities accounts, security, security entitlement, software, supporting obligations and uncertificated security, shall have the meaning given therein unless otherwise defined herein or unless the context provides otherwise.

1.4 Certain Matters of Construction.

The terms “herein”, “hereof” and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular section, paragraph or subdivision. Each reference to a Section, an Exhibit or a Schedule shall be deemed to refer to a Section, an Exhibit or a Schedule, as applicable, of this Agreement unless otherwise specified. The terms “including” and other words of similar import refer to “including, but not limited” unless otherwise specified. Any pronoun used shall be deemed to cover all genders. Wherever appropriate in the context, terms used herein in the singular also include the plural and vice versa. All references to statutes (including the UCC) and related regulations shall include any amendments of same and any successor statutes and regulations. Unless otherwise provided, all references to any instruments or agreements, including, without limitation, references to this Agreement or any of the Other Documents, shall include any and all modifications or amendments thereto and any and all extensions or renewals thereof to the extent not prohibited by this Agreement or any Other Document. The amount outstanding under any Letter of Credit shall mean, at any date of determination, (a) the maximum aggregate amount available for drawing thereunder under any and all circumstances, plus (b) the aggregate amount of all unreimbursed payments and disbursements under such Letter of Credit. Unless otherwise provided Dollar ($) baskets set forth in the representations and warranty, covenants and event of default provisions of this Agreement (and other similar baskets) are calculated as of each date of measurement by the Dollar Equivalents thereof as of such date of measurement.

1.5 Disclaimer of Liability on the LIBOR Benchmark Rate.

The interest rate on LIBOR Rate Loans calculated by reference to the Adjusted LIBOR Rate may be determined by reference to ICE LIBOR. LIBOR is intended to represent the rate at which contributing banks may obtain short-term borrowings from each other in the London interbank market. In July 2017, the U.K. Financial Conduct Authority announced that, after the end of 2021, it would no longer persuade or compel contributing banks to make rate submissions to ICE (as defined in the definition of LIBOR) for purposes of ICE setting the LIBOR. As a result, it is possible that commencing in 2022, the Adjusted LIBOR Rate may no longer be available or may no longer be deemed an appropriate reference rate upon which to determine the interest rate on Loans where the interest rate is calculated by reference to the Adjusted LIBOR Rate. In light of this eventuality, public and private sector industry initiatives are currently underway to identify new or alternative reference rates to be used in place of LIBOR. In the event that the LIBOR is no longer available or in certain other circumstances as set forth in Section 3.9 of this Agreement, such Section 3.9 provides a mechanism for determining an alternative rate of interest. Agent will notify Borrower pursuant to Section 3.9 in advance of any change to the LIBOR Rate. However, Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, the administration, submission or any other matter related to the London Interbank Offered Rate or other rates in the definition of the Adjusted LIBOR Rate or with respect to any alternative or successor rate thereto, or replacement rate thereof, including without limitation, whether the composition or characteristics of any such alternative, successor or replacement reference rate, as it may or may not be adjusted pursuant to Section 3.9(e), will be similar to, or produce the same value or economic equivalence of, the Adjusted LIBOR Rate or have the same volume or liquidity as did LIBOR prior to its discontinuance or unavailability.

2. ADVANCES, PAYMENTS.

2.1 Revolving Advances.

(a) Revolving Advances. Subject to the terms and conditions set forth in this Agreement (including, without limitation, Sections 2.1(b) and 8), each Lender, severally and not jointly, agrees to make Revolving Advances according to its Commitment Percentage thereof to Borrowers (or Administrative Loan Party on behalf of Borrowers) from the Closing Date until the Termination Date. Revolving Advances shall be funded by Agent or Lenders (as applicable) in Dollars and shall be repaid in Dollars. To the extent required by a Lender, the Revolving Advances made by such Lender shall be evidenced by a promissory note in a form acceptable to Agent (each, a "Revolving Credit Note"; it being understood that no such promissory note shall include a grant of a Lien in favor of any individual Lender).

(b) Revolving Advance Limitations/Protective Advances and Over advances. The aggregate amount of the Revolving Advances (including, without limitation, Swingline Loan Advances) and the Letters of Credit outstanding at any time shall not (i) exceed the Maximum Revolving Advance Amount less the Maximum Revolving Advance Amount Reserves or (ii) except as provided in Section 2.11 with respect to Protective Advances and in Section 16.2(d) with respect to overadvances, cause Excess Availability to be less than $0.

(c) Swingline Loan Advances. Agent may convert any request by Borrowers for a Revolving Advance into a request for a Swingline Loan Advance from the Swingline Lender. The Swingline Loan Advance shall bear interest at the Swingline Loan Interest Rate and shall not exceed in the aggregate at any time outstanding the Maximum Swingline Loan Advance Amount. To the extent required by the Swingline Lender, the Swingline Loan Advances made by the Swingline Lender shall be evidenced by a promissory note in a form acceptable to Agent and the Swingline Lender (each, a "Swingline Loan Note"). Upon the making of a Swingline Loan Advance (whether before or after the occurrence of a Default or Event of Default), without further action by any party hereto, each Lender shall be deemed to have irrevocably and unconditionally purchased and received from the Swingline Lender or Agent, without recourse or warranty, an undivided interest and participation to the extent of such Lender's Commitment Percentage in such Swingline Loan Advance. To the extent that there is no settlement in accordance with Section 2.12(c) below, the Swingline Lender or Agent, as the case may be, may at any time, require Lenders to fund their participations. From and after the date, if any, on which any Lender is required to fund its participation in any Swingline Loan Advance, Agent shall promptly distribute to such Lender, such Lender's Commitment Percentage of all payments of principal and interest received by Agent in respect of such Swingline Loan Advance.

2.2 Procedure for Borrowing.

(a) Administrative Loan Party shall notify Agent of the request by any applicable Borrower(s) to incur a Revolving Advance hereunder. Such notice shall be in the form of the Notice of Advance Request attached hereto as Exhibit C or Borrower shall make request for borrowing via Stuckynet-Link within Stucky NT/ABL and shall be required to be delivered by Administrative Loan Party to Agent on or prior to 11:00 a.m. (New York time) (i) on the Business Day of the date of such requested borrowing with respect to Base Rate Loans and (ii) three (3) Business Days prior to the date of such requested borrowing with respect to LIBOR Rate Loans. Each such notice shall include (A) an indication of which Borrower is requesting such Revolving Advance, (B) the amount of such proposed borrowing (which amount with respect to (1) LIBOR Rate Loans shall be in a minimum amount of $500,000 and in integral multiples of $100,000 in excess thereof and (2) with respect to Base Rate Loans shall be in a minimum amount of $10,000), (C) the date of such proposed borrowing (which must be a Business Day) and (D) whether such borrowing is to be initially a LIBOR Rate Loan (and if so, the duration of the first (1st) Interest Period therefor) or a Base Rate Loan. Additionally, any amount required to be paid as interest, fees, charges or other Obligations under this Agreement or any Other Document, at the election of Agent, shall be deemed a request by Borrowers for a Revolving Advance as of the date such payment is due, in the amount required to pay in full or in part such interest, fee, charge or other Obligation under this Agreement or any Other Document and such deemed request shall be irrevocable.

(b) Interest Periods for LIBOR Rate Loans shall be for one (1), two (2), three (3) or six (6) months. At the election of Agent or Required Lenders, no LIBOR Rate Loan shall be made available to Borrowers during the continuance of a Default or an Event of Default. After giving effect to each LIBOR Rate Loan (or any conversion to a LIBOR Rate Loan), there shall not be outstanding more than five (5) LIBOR Rate Loans in the aggregate.

(c) Each Interest Period of a LIBOR Rate Loan shall commence on the date such LIBOR Rate Loan is made and shall end on such date as Administrative Loan Party may elect as set forth in clause (D) of Section 2.2(a); provided, that, the exact length of each Interest Period shall be determined in accordance with the practice of the interbank market for offshore Dollar deposits and no Interest Period shall end after the Termination Date.

(d) Administrative Loan Party shall elect the initial Interest Period applicable to a LIBOR Rate Loan by its notice of borrowing given to Agent pursuant to Section 2.2(a) or by its Notice of Conversion given to Agent pursuant to Section 2.2(e), as the case may be. Administrative Loan Party shall elect the duration of each succeeding Interest Period by giving irrevocable written notice to Agent of such duration not less than three (3) Business Days prior to the last day of the then current Interest Period applicable to such LIBOR Rate Loan; provided, that, at the election of Agent or Required Lenders, no loan shall be converted to a LIBOR Rate Loan if an Event of Default shall have occurred and be continuing. If Agent does not receive timely notice of the Interest Period elected by Administrative Loan Party, Administrative Loan Party shall be deemed to have elected to convert to a Base Rate Loan subject to Section 2.2(e).

(e) Administrative Loan Party may, on the last Business Day of the then current Interest Period applicable to any outstanding LIBOR Rate Loan, or on any Business Day with respect to Base Rate Loans, convert any such loan into a loan of another type in the same aggregate principal amount; provided, that, any conversion of a LIBOR Rate Loan shall be made only on the last Business Day of the then current Interest Period applicable to such LIBOR Rate Loan; provided further, that, at the election of Agent or Required Lenders, no loan shall be converted to a LIBOR Rate Loan if an Event of Default shall have occurred and be continuing. If Borrowers desire to convert a Base Rate Loan to a LIBOR Rate Loan or convert a LIBOR Rate Loan to a Base Rate Loan, Administrative Loan Party shall give Agent a Notice of Conversion not less than three (3) Business Days' prior to such conversion, specifying the date of such conversion, the loans to be converted and if the conversion is from a Base Rate Loan to a LIBOR Rate Loan, the duration of the first (1st) Interest Period therefor. After giving effect to each such conversion, there shall not be outstanding more than the number of LIBOR Rate Loans permitted by Section 2.2(b).

(f) At the option of Borrowers and upon three (3) Business Days' prior written notice, Borrowers may prepay the LIBOR Rate Loans in whole at any time or in part from time to time, without premium or penalty (except as otherwise expressly provided in this Agreement), but with accrued interest on the principal being prepaid to the date of such repayment. Administrative Loan Party shall specify the date of prepayment of Advances which are LIBOR Rate Loans and the amount of such prepayment. In the event that any prepayment of a LIBOR Rate Loan is required or permitted on a date other than the last Business Day of the then current Interest Period with respect thereto, Borrowers and each other Loan Party shall indemnify Agent and Lenders therefor in accordance with Section 2.2(g).

(g) Each Loan Party shall indemnify Agent and Lenders and hold Agent and Lenders harmless from and against any and all losses or expenses that Agent and Lenders may sustain or incur as a consequence of any prepayment, conversion of or any default by Borrowers in the payment of the principal of or interest on any LIBOR Rate Loan or failure by Borrowers to complete a borrowing of, a prepayment of or conversion of or to a LIBOR Rate Loan after notice thereof has been given, including, but not limited to, Agent's and Lenders' standard charges with respect to the foregoing and any interest payable by Agent or Lenders to lenders of funds obtained by any of them in order to make or maintain their respective LIBOR Rate Loans hereunder. A certificate as to any additional amounts payable pursuant to the foregoing sentence submitted by Agent (or the applicable Lenders) to Administrative Loan Party and Agent shall be conclusive absent manifest error; provided, that, no such certificate shall be required in the case of Agent's and Lenders' standard charges with respect to the events indemnified in this Section 2.2(g)).

(h) Notwithstanding any other provision hereof, if any applicable law, treaty, regulation or directive, or any change therein or in the interpretation or application thereof, shall after the Closing Date make it unlawful for any Lender (for purposes of this Section 2.2(h), the term "Lender" shall include any Lender and the office or branch where any Lender or any corporation or bank controlling such Lender makes or maintains any LIBOR Rate Loans) to make or maintain its LIBOR Rate Loans, such Lender shall notify Agent and Administrative Loan Party, and upon such notification, the obligation of such Lender to make such LIBOR Rate Loans hereunder shall forthwith be cancelled and Borrowers shall, if any affected LIBOR Rate Loans are then outstanding, promptly upon notice from Agent, either pay all such affected LIBOR Rate

Loans or convert such affected LIBOR Rate Loans into Base Rate Loans (and following such notification any request for LIBOR Rate Loans from such Lender shall be deemed to be a request for Base Rate Loans). If any such payment or conversion of any LIBOR Rate Loan is made on a day that is not the last day of the Interest Period applicable to such LIBOR Rate Loan, Borrowers shall pay Agent, upon Agent's notice, such amount or amounts as may be necessary to compensate such Lender for any loss or expense sustained or incurred by such Lender in respect of such LIBOR Rate Loan as a result of such payment or conversion, including (but not limited to) any interest or other amounts payable by such Lender to lenders of funds obtained by such Lender in order to make or maintain such LIBOR Rate Loan. A certificate as to any additional amounts payable pursuant to the foregoing sentence submitted by Agent (or the applicable Lenders) to Administrative Loan Party and Agent shall be conclusive absent manifest error.

2.3 Disbursement of Advance Proceeds.

All Advances shall be disbursed from whichever office or other place Agent or Lenders, as applicable, may designate from time to time. During the Term, Borrowers may request, repay and reborrow Revolving Advances, all in accordance with the terms and conditions of this Agreement. The proceeds of each Revolving Advance requested by Borrowers (or Administrative Loan Party on behalf of Borrowers) or deemed to have been requested by Borrowers (or Administrative Loan Party on behalf of Borrowers) under Section 2.2(a) shall, subject to the terms and conditions of this Agreement with respect to requested Revolving Advances, be made available to Borrowers on the Business Day so requested by way of credit to Borrowers' operating account set forth on Schedule 2.3 in immediately available federal funds or other immediately available funds or, with respect to Revolving Advances deemed to have been requested by Borrowers (or Administrative Loan Party on behalf of Borrowers), be disbursed to Agent to be applied to the outstanding Obligations giving rise to such deemed request. If, on any given day, notwithstanding anything to the contrary set forth in section 2.2(a), the account balance in the TD Bank Operating Account is less than zero dollars, subject to conditions precedent set forth in Section 8.2, Borrowers hereby irrevocably authorize and direct Agent, on behalf of Lenders, to make a Revolving Advance to Borrowers into the TD Bank Operating Account so that, after giving effect to such Revolving Advance, the account balance in the TD Bank Operating Account is not less than zero dollars.

2.4 [Reserved].

2.5 Repayment of Advances.

(a) The Revolving Advances shall be due and payable in full on the Termination Date subject to earlier prepayment as herein provided.

(b) The Borrowers recognize that the amounts evidenced by checks, notes, drafts or any other items of payment relating to and/or proceeds of Collateral may not be collectible by Agent on the date received. In consideration of Agent's consideration (subject to the last sentence of this clause (b)) to conditionally credit Borrowers' Account as of the Business Day on which Agent receives those items of payment, Borrowers agree that, in computing the charges under this Agreement, all items of payment shall be deemed applied by Agent on account of the

applicable Obligations on the date of confirmation to Agent by the Blocked Account bank or Depository Account bank, as provided for in Section 4.14(h), that such items of payment have been collected in good funds and finally credited to Agent's account. Without limiting the above provisions of this clause (b), Agent is not, however, required to credit Borrowers' Account for the amount of any item of payment which is unsatisfactory to Agent and Agent may charge Borrowers' Account for the amount of any item of payment which is returned to Agent unpaid.

(c) All payments (including prepayments) of principal, interest and other amounts payable hereunder and under each Other Document shall be made to Agent at the Payment Account not later than 2:00 p.m. (New York time) on the due date therefor (or, if such due date is not a Business Day, on the next Business Day) in lawful money of the United States of America in funds immediately available to Agent. Any payment received by Agent subsequent to 2:00 p.m. (New York time) on any Business Day (regardless of whether such payment is due on such Business Day) shall be deemed received by Agent, and shall be applied to the applicable Obligations intended to be paid thereby, on the next Business Day. Agent shall have the right to effectuate payment on any and all Obligations due and owing hereunder by charging Borrowers' Account or by making Revolving Advances as provided in Section 2.2.

(d) The Borrowers shall pay principal, interest, and all other amounts payable hereunder and under each Other Document without any deduction whatsoever, including, but not limited to, any deduction for any setoff or counterclaim.

(e) If, notwithstanding the terms of this Agreement or any Other Document, Agent or any Lender receives any payment from or on behalf of any Borrower or any other Loan Party in a currency other than the Currency Due, Agent or such Lender may convert the payment (including the monetary proceeds of realization upon any Collateral and any funds then held in a cash collateral account) into the Currency Due at exchange rate selected by Agent or such lender in the manner contemplated by Section 16.5 and Borrowers shall reimburse Agent and Lenders on demand for all costs they incur with respect thereto. To the extent permitted by law, the obligation shall be satisfied only to the extent of the amount actually received by Agent upon such conversion.

2.6 Repayment of Excess Advances.

If for any reason Excess Availability at any time is less than $0 or the balance of any or all of the outstanding Advances and Letters of Credit at any time is otherwise in excess of any applicable limitation set forth in this Agreement (subject to Section 16.2(d) with respect to over advances), such excess amount shall be immediately due and payable, without the necessity of any demand, at the Payment Account (it being understood and agreed that it shall be an Event of Default if at any time Excess Availability is less than $0).

2.7 Statement of Account.

Agent shall maintain, in accordance with its customary procedures, a loan account (the "Borrowers' Account") in the name of Borrowers in which shall be recorded the date and amount of each Advance made by Lenders and the date and amount of each payment in respect thereof; provided, however, that, the failure by Agent to record the date or amount of any Advance or any

other item shall not adversely affect Agent or any Lender under this Agreement or any Other Document or diminish any obligation of any Loan Party under this Agreement or any Other Document. Each month, Agent shall send to Administrative Loan Party a statement showing the accounting for the Advances made, payments made or credited in respect thereof, and certain other transactions between Lenders and Borrowers, during such month. The monthly statements shall be deemed correct and binding upon Borrowers in the absence of manifest error and shall constitute an account stated between Lenders and Borrowers unless Agent receives a written statement of Borrowers' specific exceptions thereto within thirty (30) days after such statement is received by Administrative Loan Party. The records of Agent with respect to each Borrowers' Account shall be conclusive evidence absent manifest error of the amounts of Advances and other charges thereto and of payments applicable thereto.

2.8 Letters of Credit.

Subject to the terms and conditions hereof, Agent shall issue or cause the issuance of letters of credit (collectively, "Letters of Credit") by the Issuer on behalf of Borrowers; provided, however, that, Agent will not be required to issue or cause to be issued any Letters of Credit to the extent that the face amount of such Letters of Credit would cause Excess Availability to be less than $0. The maximum amount of outstanding Letters of Credit shall not exceed $5,000,000 in the aggregate at any time. All outstanding reimbursement obligations and disbursements or payments related to Letters of Credit shall be deemed to be Base Rate Loans consisting of Revolving Advances and shall bear interest at the Interest Rate for Base Rate Loans. Notwithstanding anything to the contrary contained in this Agreement, in the event that there is a Defaulting Lender, an Impacted Lender or Prior Defaulting/Impacted Lender, Issuing Bank shall not be required to (and, in any event, shall not if directed by Agent) issue any Letter of Credit, or increase or extend or otherwise amend any Letter of Credit, unless Borrowers provide cash collateral to Issuing Bank with respect thereto to hold, on terms and conditions satisfactory to Issuing Bank and Agent, in an amount equal to such Defaulting Lender's, Impacted Lender's or Prior Defaulting/Impacted Lender's Commitment Percentage of all obligations in respect of Letters of Credit and in any such event, the Defaulting or Impacted Lender or Prior Defaulting or Impacted Lender shall not be entitled to any commitment fee or Letter of Credit Fees.

2.9 Issuance of Letters of Credit.

(a) Administrative Loan Party may request Agent to issue or cause the issuance of a Letter of Credit by delivering to Agent Issuer's standard form of letter of credit application and, if requested, letter of credit security agreement (collectively, the "Letter of Credit Application") and any draft, if applicable, completed to the satisfaction of Agent, together with such other certificates, documents and other papers and information as Agent or Issuer may reasonably request.

(b) Each Letter of Credit shall, among other things, (i) provide for the payment of sight drafts or acceptances of issuance drafts when presented for honor thereunder in accordance with the terms thereof and when accompanied by the documents described therein, (ii) be denominated in Dollars and (iii) have an expiry date not later than one (1) year after such Letter of Credit's date of issuance, and in no event having an expiry date later than five (5) Business Days

prior to the Termination Date unless Loan Parties provide cash collateral equal to not less than one hundred five (105%) percent of the face amount thereof to be held by Agent pursuant to a cash collateral agreement in form and substance reasonably satisfactory to Agent; provided, that, any Letter of Credit with a one (1) year term may provide for the renewal thereof for additional one (1) year periods (which shall in no event extend beyond the date referred to in clause (iii) above).

(c) Agent shall use its reasonable efforts to notify Lenders of the request by Administrative Loan Party for a Letter of Credit hereunder, but any failure to so notify Lenders shall not reduce any liability or any obligation of Lenders hereunder or any rights of Agent hereunder.

2.10 Requirements for Issuance of Letters of Credit.

(a) In connection with the issuance of any Letter of Credit, each Borrower shall indemnify, save and hold Agent, each Lender and each Issuer harmless from any loss, cost, expense or liability, including, without limitation, payments made by Agent, any Lender or any Issuer and expenses and reasonable attorneys' fees incurred by Agent, any Lender or any Issuer arising out of, or in connection with, any Letter of Credit. The Borrowers shall be bound by Agent's or Issuer's regulations and good faith interpretations of any Letter of Credit, although this interpretation may be different from Borrowers' own interpretation; and, neither Agent, nor any Lender, nor any Issuer shall be liable for any error, negligence, or mistakes, whether of omission or commission, in following any Borrower's instructions or those contained in any Letter of Credit or of any modifications, amendments or supplements thereto or in issuing or paying any Letter of Credit except for Agent's, any Lender's, or any Issuer's gross (not mere) negligence or willful misconduct, as determined pursuant to a final, non-appealable order of a court of competent jurisdiction.

(b) The Borrowers shall authorize and direct any Issuer of a Letter of Credit to deliver to Agent all related payment/acceptance advices, to deliver to Agent all instruments, documents, and other writings and property received by the Issuer pursuant to the Letter of Credit and to accept and rely upon Agent's instructions and agreements with respect to all matters arising in connection with the Letter of Credit or the application therefor.

(c) In connection with all Letters of Credit issued or caused to be issued by Agent under this Agreement, each Borrower hereby appoints Agent, or its designee, as its attorney, with full power and authority upon the occurrence and during the continuance of an Event of Default: (i) to sign and/or endorse each Borrower's name upon any warehouse or other receipts, Letter of Credit Applications and acceptances; (ii) to sign each Borrower's name on bills of lading; (iii) to clear Inventory through Customs in the name of each Borrower or Agent or Agent's designee, and to sign and deliver to Customs officials powers of attorney in the name of each Borrower for such purpose; and (iv) to complete in each Borrower's name or Agent's, or in the name of Agent's designee, any order, sale or transaction, obtain the necessary documents in connection therewith, and collect the proceeds thereof. Neither Agent nor its attorneys will be liable for any acts or omissions nor for any error of judgment or mistakes of fact or law, except for Agent's or its attorney's gross (not mere) negligence or willful misconduct, as determined pursuant to a final, non-appealable order of a court of competent jurisdiction. This power, being coupled with an interest, is irrevocable as long as any Letters of Credit remain outstanding.

(d) Each Lender, according to its Commitment Percentage, shall to the extent of the aggregate amount of all unreimbursed reimbursement obligations arising from disbursements made or obligations incurred with respect to the Letters of Credit be deemed to have irrevocably purchased an undivided participation in (i) each such unreimbursed reimbursement obligation, (ii) Agent's credit support enhancement provided to the Issuer of any Letter of Credit and (iii) each Revolving Advance made as a consequence of the issuance of a Letter of Credit and all disbursements thereunder. In the event that at the time a disbursement is made the unpaid balance of Revolving Advances exceeds or would exceed, with the making of such disbursement, the amount permitted under Section 2.1, and such disbursement is not reimbursed by Borrowers within two (2) Business Days, upon Agent's demand each Lender shall pay to Agent such Lender's Commitment Percentage of such unreimbursed disbursement together with such Lender's Commitment Percentage of Agent's unreimbursed costs and expenses relating to such unreimbursed disbursement. Upon receipt by Agent of a repayment from Borrowers of any amount disbursed by Agent for which Agent had already been reimbursed by Lenders, Agent shall deliver to each Lender that Lender's proportionate share of such repayment. Each Lender's participation commitment shall continue until the last to occur of any of the following events: (A) Agent ceases to be obligated to issue or cause to be issued Letters of Credit hereunder; (B) no Letter of Credit issued hereunder remains outstanding and uncancelled or (C) Agent, Issuer and all Persons (other than Borrowers) have been fully reimbursed for all payments made under or relating to Letters of Credit.

2.11 Additional Payments/Protective Advances.

Any sums expended (a) by Agent or any Lender due to any Loan Party's failure to perform or comply with its Obligations under this Agreement or any Other Document, or (b) by Agent to protect the Collateral or enhance the likelihood of repayment of the Obligations or any portion thereof (as determined by Agent in its Permitted Discretion) may, in Agent's Permitted Discretion, be charged to Borrowers' Account as a Revolving Advance (regardless of whether or not the conditions specified in this Agreement for the making of a Revolving Advance have been satisfied, including, without limitation, Sections 2.1 or 8.2) and added to the Obligations, and each Lender shall be obligated in connection therewith as if such conditions had been satisfied (including, without limitation, to fund its Commitment Percentage of such Revolving Advances). Such sums charged to Borrowers' Account as a Revolving Advance (collectively, "Protective Advances"), plus the amount of intentional over-Advances made pursuant to Section 16.2(d), shall not exceed an amount outstanding equal to ten (10%)percent of the Maximum Credit without the consent of each of Lenders. Notwithstanding anything contained in this Section 2.12 to the contrary, any proposed Protective Advance shall be subject to the limitations set forth in Section 2.1(b)(i).

2.12 Manner of Borrowing and Payment.

(a) Each borrowing of Advances shall be advanced according to the applicable Commitment Percentages of Lenders.

(b) All proceeds of Collateral, together with each payment (including each prepayment) by Borrowers on account of the principal of the Advances, shall be applied to the Advances pro rata according to the applicable Commitment Percentages of Lenders. Except as expressly provided herein, all payments (including prepayments) to be made by Borrowers on account of principal, interest and fees shall be made in Dollars without setoff or counterclaim and shall be made to Agent on behalf of Agent and Lenders to the Payment Account, in each case on or prior to the time specified in Section 2.5(c) in immediately available funds.

(c) Notwithstanding anything to the contrary contained in Sections 2.13(a) and 2.13(b) or any other provision of this Agreement, commencing with the first (1st) Business Day following the Closing Date, each or any borrowing of Advances may, in Agent's Permitted Discretion, be advanced by Agent (on behalf of Lenders) and each payment by Borrowers on account of Advances shall be applied first to those Advances advanced by Agent (any such Advance provided by Agent may (at the discretion of Agent) accrue interest as a Base Rate Loan, regardless of whether or not Borrowers requested such Advance be a LIBOR Rate Loan, until Agent is reimbursed for such Advance). Alternatively, Agent may request that each Lender (and each Lender shall) on or before 1:00 p.m. (New York time) on the requested borrowing date, transfer in immediately available funds to Agent such Lender's Commitment Percentage of such requested borrowing. On each Settlement Date commencing with the first (1st) Settlement Date following the Closing Date, Agent and Lenders shall make certain payments as follows: (i) if a Lender's balance of the Advances (including Protective Advances and Swingline Loan Advances) exceeds such Lender's Commitment Percentage of the Advances (including Protective Advances and Swingline Loan Advances) as of a Settlement Date, then Agent shall transfer in immediately available funds to a deposit account of such Lender (as such Lender may designate in writing to Agent) an amount such that each such Lender shall, upon receipt of such amount, have as of the Settlement Date, its Commitment Percentage of the Advances (including Protective Advances and Swingline Loan Advances) and (ii) if a Lender's balance of the Advances (including Protective Advances and Swingline Loan Advances) is less than such Lender's Commitment Percentage of the Advances (including Protective Advances and Swingline Loan Advances) as of a Settlement Date, such Lender shall transfer in immediately available funds to Agent, not later than 2:00 p.m. (New York time), an amount such that each such Lender shall, upon transfer of such amount, have as of the Settlement Date, its Commitment Percentage of the Advances (including Protective Advances and Swingline Loan Advances).

(d) A Lender shall be entitled to earn interest at the applicable Interest Rate on outstanding Advances which such Lender has funded for the periods in which such Advance was so funded by such Lender. Agent shall be entitled to earn interest at the applicable Interest Rate on outstanding Advances (including Protective Advances and Swingline Loan Advances) which Agent has funded for the periods in which such Advance (including Protective Advances and Swingline Loan Advances) was so funded by Agent.

(e) Promptly following each Settlement Date, Agent shall submit to each Lender a certificate with respect to payments received and Advances made during the Week immediately preceding such Settlement Date. Such certificate of Agent shall be conclusive in the absence of manifest error.

(f) If any Lender or Participant (a "Benefited Lender") shall at any time receive any payment of all or part of its Advances, or interest thereon, or receive any Collateral in respect thereof (whether voluntarily or involuntarily or by set-off) in a greater proportion than any such payment to and Collateral received by any other Lender, if any, in respect of such other Lender's Advances, or interest thereon, and such greater proportionate payment or receipt of Collateral is not expressly permitted hereunder, such Benefited Lender shall purchase for cash from the other Lenders a participation in such portion of each such other Lender's Advances, or shall provide such other Lender with the benefits of any such Collateral, or the proceeds thereof, as shall be necessary to cause such Benefited Lender to share the excess payment or benefits of such Collateral or proceeds ratably with each of the other Lenders according to their Commitment Percentages thereof; provided, however, that, if all or any portion of such excess payment or benefits is thereafter recovered from such Benefited Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest. Each Lender so purchasing a portion of another Lender's Advances may exercise all rights of payment (including, without limitation, rights of set-off) with respect to such portion as fully as if such Lender were the direct holder of such portion.

(g) Unless Agent shall have been notified in writing, prior to the making of any Advance, by any Lender that such Lender will not make the amount which would constitute its applicable Commitment Percentage of the Advances available to Agent, Agent may (but shall not be obligated to) assume that such Lender shall make (and such Lender unconditionally shall be obligated to make) such amount available to Agent on or prior to the next Settlement Date and, in reliance upon such assumption, make available to Administrative Loan Party (on behalf of the applicable Borrower(s)) a corresponding amount. Agent will promptly notify Administrative Loan Party of its receipt of any such notice from a Lender. If such amount is made available to Agent on a date after such next Settlement Date, such Lender shall pay to Agent on demand an amount equal to the product of (i) the daily average Federal Funds Rate (computed on the basis of a year of three hundred sixty (360) days) during such period as quoted by Agent, times (ii) such amount, times (iii) the number of days from and including such Settlement Date to the date on which such amount becomes immediately available to Agent. A certificate of Agent submitted to any Lender with respect to any amounts owing under this paragraph (g) shall be conclusive, in the absence of manifest error. If such amount is not in fact made available to Agent by such Lender within three (3) Business Days after such Settlement Date, Agent shall be entitled to recover such an amount, with interest thereon at the rate per annum then applicable to such Advance hereunder, on demand from Borrowers; provided, however, that, Agent's right to such recovery shall not prejudice or otherwise adversely affect Borrowers' rights (if any) against such Lender.

2.13 Mandatory Prepayments.

Notwithstanding the following, during a Waterfall Event, the order of application to the Obligations shall be made pursuant to Section 11.2 rather than as is provided in this Section 2.13.

(a) At any time upon the occurrence and during the continuance of a Cash Dominion Event, when any Loan Party or any of their Subsidiaries Disposes of any Collateral or other assets (other than sales of Inventory in the ordinary course of business) or receives proceeds of property or casualty insurance, within one (1) Business Day thereof, Loan Parties shall repay

the Advances in an amount equal to one hundred (100%) percent of the net cash proceeds of such sale (*i.e.*, gross cash proceeds less the reasonable out-of-pocket costs and expenses in respect of such Dispositions (including any taxes and similar amounts)) or all of the cash proceeds of such insurance, as applicable, such repayments to be made promptly but in no event more than one (1) Business Day following receipt of such proceeds, and until the date of payment, such proceeds shall be held in trust for Agent. Such repayments shall be applied to the remaining Revolving Advances in such order as Agent may determine until paid in full, subject to Borrowers' ability to reborrow Revolving Advances in accordance with the terms hereof. The provisions of this Section 2.13(a) shall not be deemed to be implied consent to any such Disposition otherwise prohibited by the terms and conditions of this Agreement or any Other Document.

(b) At any time upon the occurrence and during the continuance of a Cash Dominion Event, within one (1) Business Day of the date of receipt by any Loan Party or any of its Subsidiaries of any Extraordinary Receipts, Borrowers shall prepay the outstanding amount of the Advances in an amount equal to one hundred (100%) percent of such Extraordinary Receipts, net of any reasonable out of pocket fees and expenses incurred in collecting such Extraordinary Receipts. Such Extraordinary Receipts shall be applied to the remaining Revolving Advances in such order as Agent may determine until paid in full, subject to Borrowers' ability to reborrow Revolving Advances in accordance with the terms hereof. The provisions of this Section 2.13(b) shall not be deemed to be implied consent to any event giving rise to such Extraordinary Receipts otherwise prohibited by the terms and conditions of this Agreement.

(c) At any time upon the occurrence and during the continuance of a Cash Dominion Event, within one (1) Business Day of the date of the issuance by any Loan Party or any of its Subsidiaries of any shares of its or their Equity Interests (other than (i) the issuance of Equity Interests to another Loan Party or Subsidiary thereof, and (ii) the issuance of Equity Interests of Parent to directors, officers and employees of a Loan Party and any of their respective Subsidiaries pursuant to employee stock option plans (or other employee incentive plans or other compensation arrangements) approved by the board of directors of Parent and (iii) the issuance of Equity Interests of Parent, to the extent the proceeds thereof are used concurrently with the issuance thereof to fund the purchase price of a Permitted Acquisition), Borrowers shall prepay the outstanding amount of the Advances in an amount equal to one hundred (100%) percent of the net cash proceeds net cash proceeds of such sale (*i.e.*, gross cash proceeds less the reasonable out-of-pocket costs and expenses in respect of such issuance (including any taxes and similar amounts)) received by such Person in connection with such issuance. Such proceeds shall be applied to the remaining Revolving Advances in such order as Agent may determine until paid in full, subject to Borrowers' ability to reborrow Revolving Advances in accordance with the terms hereof. The provisions of this Section 2.13(c) shall not be deemed to be implied consent to any such issuance otherwise prohibited by the terms and conditions of this Agreement.

2.14 Use of Proceeds.

The Borrowers shall use the initial proceeds of the Advances and Letters of Credit hereunder only for: (a) payments on the Closing Date to each of the Persons listed in the disbursement direction letter furnished by Borrowers to Agent on or about the Closing Date and (b) costs, expenses and fees incurred on or prior to the Closing Date in connection with the

preparation, negotiation, execution and delivery of this Agreement and the Other Documents. All other Advances made or Letters of Credit provided to or for the benefit of Borrowers pursuant to the provisions hereof shall be used by Borrowers only for general operating, working capital, to fund Permitted Acquisitions and other general corporate purposes of Borrowers, in each case not otherwise prohibited by the terms hereof. Further, none of the proceeds will be used, directly or indirectly, for the purpose of purchasing or carrying any margin security or for the purposes of reducing or retiring any Indebtedness which was originally incurred to purchase or carry any margin security or for any other purpose which might cause any of the Advances to be considered a "purpose credit" within the meaning of Regulation U of the Board of Governors of the Federal Reserve System, as amended. No part of the proceeds of any Advance or Letter of Credit will be used, directly or indirectly, to make any payments to a Sanctioned Entity or a Sanctioned Person, to fund any investments, loans or contributions in, or otherwise make such proceeds available to, a Sanctioned Entity or a Sanctioned Person, to fund any operations, activities or business of a Sanctioned Entity or a Sanctioned Person, or in any other manner that would result in a violation of Sanctions by any Person, and no part of the proceeds of any Loan or Letter of Credit will be used, directly or indirectly, in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Sanctions, Anti-Corruption Laws or Anti-Money Laundering Laws.

2.15 Defaulting Lender/Impacted Lender.

(a) Notwithstanding anything to the contrary contained herein, in the event any Lender (i) has refused (if the refusal constitutes a breach by such Lender of its obligations under this Agreement) to make available its portion of any Advance, (ii) notifies either Agent or Administrative Loan Party that it does not intend to make available its portion of any Advance (if the actual refusal would constitute a breach by such Lender of its obligations under this Agreement), or (iii) failed to fund any payments required to be made by it under this Agreement or any Other Document (each, a "Lender Default"), all rights and obligations hereunder of such Lender (a "Defaulting Lender") as to which a Lender Default is in effect and of the other parties hereto shall be modified to the extent of the express provisions of this Section 2.15 while such Lender Default remains in effect.

(b) The obligations of each Lender to make Advances shall continue to be based on their respective Commitment Percentages, and no Commitment Percentage of any Lender or any Commitment Percentage of any Advances required to be advanced by any Lender shall be increased as a result of a Lender Default. Amounts received in respect of the Obligations owing to Lenders shall be applied to reduce the applicable Obligations owing to each Lender that is not a Defaulting Lender prior to any such amounts being applied to reduce the Obligations owing to such Defaulting Lender to the extent that the aggregate amount of outstanding Obligations owing to such Defaulting Lender is less than what it would have been if such Lender Default did not occur.

(c) Notwithstanding anything set forth herein to the contrary, a Defaulting Lender shall not have any voting or consent rights, or be permitted to direct Agent, under or with respect to this Agreement or any Other Document or constitute a "Lender" (or be included in the calculation of "Required Lenders" hereunder) for any voting or consent rights, or in directing

Agent, under or with respect to this Agreement or any Other Document; provided, that, the foregoing shall not permit (i) an increase in the principal amount of such Defaulting Lender's Commitment, (ii) the reduction of the principal of, rate of interest on (other than the waiver of any default rate) or fees payable with respect to any Loan or Letter of Credit of such Defaulting Lender or (iii) unless all other Lenders affected thereby are treated similarly, the extension of any scheduled (as opposed to mandatory prepayment) payment date or final maturity date of the principal among of any Loan of such Defaulting Lender.

(d) Other than as expressly set forth in this Section 2.15, the rights and obligations of a Defaulting Lender (including the obligation to indemnify Agent; provided, that, to the extent that a Defaulting Lender fails to timely indemnify Agent or any Issuer pursuant to the terms and conditions of this Agreement or any Other Document, the other Lenders shall contribute to such shortfall in such indemnification according to their Commitment Percentages thereof) and the other parties hereto shall remain unchanged. Nothing in this Section 2.15 shall be deemed to release any Defaulting Lender from its obligations under this Agreement and the Other Documents, shall alter such obligations, shall operate as a waiver of any default by such Defaulting Lender hereunder, or shall prejudice any rights which Borrowers, Agent or any Lender may have against any Defaulting Lender as a result of any default by such Defaulting Lender hereunder. At the option of Agent, any amount payable to a Defaulting Lender hereunder (whether on account of principal, interest, fees or otherwise) shall, in lieu of being distributed to such Defaulting Lender, be retained by Agent as cash collateral for future funding obligations of the Defaulting Lender in respect of any Advance or existing or future participating interest in any Swingline Loan Advance or Letter of Credit (including the obligation to indemnify Agent pursuant to Section 14.7). The Defaulting Lender's decision-making and participation rights and rights to payments hereunder shall be restored only upon the payment by the Defaulting Lender of its Commitment Percentage of any Obligations, any participation obligation, or expenses as to which it is delinquent, together with interest thereon at the rate set forth in Section 2.13(g) hereof from the date when originally due until the date upon which any such amounts are actually paid.

(e) In the event a Defaulting Lender retroactively cures to the satisfaction of Agent the breach which caused a Lender to become a Defaulting Lender, then, from and after the date on which such cure has been so effected, such Defaulting Lender shall no longer be a Defaulting Lender and shall be treated as a Lender that is not a Defaulting Lender under this Agreement.

(f) Agent may replace a Defaulting Lender or an Impacted Lender in accordance with Section 16.2(c).

2.16 Joint and Several Liability.

(a) All Borrowers shall be liable, on a joint and several basis, for all Obligations, including, without limitation, all amounts due to Agent and Lenders under this Agreement and the Other Documents, regardless of which Borrower actually receives the Advances or other proceeds of the Obligations or the manner in which Agent and Lenders account for such Advances or other Obligations on its books and records or for any other reason. The Obligations with respect to Advances made to a Borrower, and the Obligations arising as a result

of the joint and several liability of a Borrower hereunder, with respect to Advances made to the other Borrowers hereunder, shall be separate and distinct obligations, but all such Obligations shall be primary obligations of all Borrowers. The Obligations arising as a result of the joint and several liability of a Borrower hereunder with respect to Advances or other Obligations shall, to the fullest extent permitted by law, be unconditional irrespective of (i) the validity or enforceability, avoidance or subordination of the Obligations of the other Borrowers or of any promissory note or other document evidencing all or any part of the Obligations of the other Borrowers, (ii) any incapacity or lack of power, authority or legal personality of any other Borrower or other Person, (iii) the absence of any attempt to collect the Obligations from the other Borrowers or any other security therefor, or the absence of any other action to enforce or failure to realize the full value of the same, (iv) any amendment (however fundamental) replacement variation, assignment termination and/or the waiver, consent, extension, forbearance or granting of any indulgence by Agent or Lenders with respect to any provisions of any instrument evidencing the Obligations of the other Borrowers, or any part thereof, or any other agreement now or hereafter executed by the other Borrowers and delivered to Agent or Lenders, (v) the failure by Agent, Lenders or any other Person to take any steps to perfect and maintain its Lien in, or to preserve its rights and maintain its security or collateral for the Obligations of the other Borrowers, (vi) the election of Agent, Lenders or any other Person in any proceeding instituted under Title 11 of the United States Code, as amended ("Bankruptcy Code"), of the application of Section 1111(b)(2) of the Bankruptcy Code, (vii) the disallowance of all or any portion of the claim(s) of Agent, Lenders or any other Person for the repayment of the Obligations of the other Borrowers under Section 502 of the Bankruptcy Code, (viii) any insolvency, liquidation, administration or similar procedure or corporate action in respect of any other Borrower and/or any legal proceedings or procedures by any of the other Borrowers' creditors or (ix) any other circumstances which might constitute a legal or equitable discharge or defense of the other Borrowers. With respect to the Obligations arising as a result of the joint and several liability of a Borrower hereunder with respect to Advances, Letters of Credit or other Obligations, each Borrower waives, until all of the Obligations have been Paid in Full, any right to enforce any right of subrogation or any remedy which Agent, Lenders or any other Person now has or may hereafter have against Borrowers, any endorser or any guarantor of all or any part of the Obligations, and any benefit of, and any right to participate in, any security or collateral given to Agent, Lenders or any other Person. Upon any Event of Default and for so long as the same is continuing, Agent and Lenders may proceed directly and at once, without notice, against any Borrower to collect and recover the full amount, or any portion of the Obligations, without first proceeding against the other Borrowers or any other Person, or against any security or collateral for the Obligations. Each Borrower consents and agrees that none of Agent, Lenders or any other Person shall be under any obligation to marshal any assets in favor of Borrowers or any other Person or against or in payment of any or all of the Obligations.

(b) Each Borrower expressly waives any and all rights of subrogation, reimbursement, indemnity, exoneration, contribution of any other claim which such Borrower may now or hereafter have against the other Borrowers or any other Person directly or contingently liable for the Obligations hereunder, or against or with respect to the other Borrowers' property (including, without limitation, any property which is Collateral for the Obligations), arising from the existence or performance of this Agreement.

2.17 Interrelated Businesses.

Loan Parties hereby represent and warrant to Agent and Lenders that (a) Loan Parties and their respective Subsidiaries make up a related organization of various entities constituting a single economic and business enterprise so that Loan Parties and their respective Subsidiaries share an identity of interests such that any benefit received by any Loan Party or any Subsidiary of any Loan Party benefits each other Loan Party and each other Subsidiary of Loan Parties; (b) certain of Loan Parties and their respective Subsidiaries render services to or for the benefit of other Loan Parties and Subsidiaries, as the case may be, purchase or sell and supply goods to or from or for the benefit of the others, make loans, advances and provide other financial accommodations to or for the benefit of the other Loan Parties and Subsidiaries (including, inter alia, the payment by Loan Parties and Subsidiaries of creditors of the other Loan Parties and Subsidiaries and guarantees by Loan Parties and Subsidiaries of indebtedness of the other Loan Parties and Subsidiaries and provide administrative, marketing, payroll and management services to or for the benefit of the other Loan Parties and Subsidiaries), and (c) Loan Parties and their Subsidiaries have centralized accounting and legal service, common officers and directors and are identified to creditors as a single economic and business enterprise.

2.18 Appointment of Administrative Loan Party as Agent for Requesting Advances and Letters of Credit and Receipts of Advances and Statements and Receipts and Sending of Notices.

(a) Each Borrower hereby irrevocably appoints and constitutes Administrative Loan Party as its agent to request and receive Advances and Letters of Credit pursuant to this Agreement and the Other Documents from Agent or any Lender in the name or on behalf of such Borrower. Agent and Lenders may disburse the Advances to such bank account of Administrative Loan Party or a Borrower or otherwise make such Loans to a Borrower, and provide such Letters of Credit for the account of a Borrower, in each case as Administrative Loan Party may designate or direct, without notice to any other Borrower or Loan Party. Notwithstanding anything to the contrary contained herein, Agent may at any time and from time to time require that Advances (including without limitation Protective Advances) be disbursed directly to an operating account of a Borrower or to any other Person.

(b) Each Loan Party hereby irrevocably appoints and constitutes Administrative Loan Party as its agent to receive statements on account and all other notices from Agent and Lenders with respect to the Obligations or otherwise under or in connection with this Agreement and the Other Documents.

(c) Any notice, election, representation, warranty, agreement or undertaking by or on behalf of any Loan Party by Administrative Loan Party shall be deemed for all purposes to have been made by such Loan Party and shall be binding upon and enforceable against such Loan Party to the same extent as if made directly by such Loan Party.

(d) Administrative Loan Party hereby accepts the appointment by each Loan Party to act as the agent of Borrowers pursuant to this Section 2.18. Administrative Loan Party shall ensure that the disbursement of any Advances to each Borrower requested by or paid to or for the account of Borrowers, or the issuance of any Letters of Credit for the account of a Borrower hereunder, shall be paid to or issued for the account of such Borrower.

(e) No purported termination of the appointment of Administrative Loan Party as agent as aforesaid shall be effective, except after ten (10) days' prior written notice to Agent.

2.19 Increase in Maximum Credit.

(a) Subject to Section 2.19(f) below, Administrative Loan Party may, at any time, deliver a written request to Agent to increase the Maximum Credit; provided, that, (i) any such increase shall be subject to the consent of Agent and satisfaction of each of the conditions set forth in Section 2.19(c) below, (ii) any such written request shall specify the amount of the increase in the Maximum Credit that Administrative Loan Party is requesting; (iii) the aggregate amount of any and all such increases in the Maximum Credit shall not exceed $15,000,000 or cause the Maximum Credit to exceed $65,000,000, (iv) the amount of each increase in the Maximum Credit shall not be less than $5,000,000, (v) such requests may not be made more than two (2) times during any calendar year or more than three (3) times during the Term, and (vi) any such request shall be irrevocable.

(b) Upon the receipt by Agent of any such written request, Agent shall notify each of Lenders of such request and each Lender (other than Defaulting Lenders, Impacted Lenders and Prior Defaulting/Impacted Lender) shall have the option (but not the obligation) to increase the amount of its Revolver Commitment by an amount approved by Agent in its sole discretion of the amount of the increase in the Maximum Credit requested by Administrative Loan Party as set forth in the notice from Agent to such Lender. Each Lender shall notify Agent within ten (10) days after the receipt of such notice from Agent whether it is willing to so increase its Revolver Commitment, and if so, the amount of such increase; provided, that, (i) the minimum increase in the Revolving Commitment of each such Lender providing the additional Revolver Commitment shall equal or exceed $2,500,000, and (ii) no Lender shall be obligated to provide such increase in its Revolver Commitment and the determination to increase the Revolver Commitment of a Lender shall be within the sole and absolute discretion of such Lender. If the aggregate amount of the increases in the Revolver Commitments received from Lenders does not equal or exceed the amount of the increase in the Maximum Revolving Advances Amount requested by Administrative Loan Party, Agent or Administrative Loan Party may seek additional increases from Lenders (other than Defaulting Lenders, Impacted Lenders or Prior Defaulting/Impacted Lender) or Revolver Commitments from such Qualified Assignees as it may determine, after, in the case of Administrative Loan Party, consultation with Agent. In the event Lenders (or Lenders and any such Qualified Assignees, as the case may be) have committed in writing to provide increases in their Revolver Commitments or new Revolver Commitments in an aggregate amount in excess of the increase in the Maximum Credit requested by Administrative Loan Party or permitted hereunder, Agent shall then have the right to allocate such commitments, first to Lenders and then to Qualified Assignees, in such amounts and manner as Agent may determine, after consultation with Administrative Loan Party.

(c) The Maximum Credit shall be increased by the amount of the increase in Revolver Commitments from Lenders or new Commitments from Qualified Assignees, in each case selected in accordance with Section 2.19(b) above, for which Agent has received written confirmation in from and substance satisfactory to Agent from such Lenders or Qualified Assignees, as applicable, on the date requested by Administrative Loan Party for the increase or such other date as Agent and Administrative Loan Party may agree (but subject to the satisfaction of the conditions set forth below), whether or not the aggregate amount of the increase in Revolver Commitments and new Revolver Commitments, as the case may be, equal or exceed the amount of the increase in the Maximum Credit requested by Administrative Loan Party in accordance with the terms hereof (but in no event shall the Maximum Revolver Amount be increased above the amounts described in Section 2.19(a)), effective on the date that Agent notifies Administrative Loan Party that each of the following conditions have been satisfied (such date being the "Maximum Credit Increase Effective Date"):

(i) Agent shall have received from each Lender or Qualified Assignee that is providing an additional Revolver Commitment as part of the increase in the Maximum Credit, a written confirmation described above duly executed by such Lender or Qualified Assignee, Agent and Administrative Loan Party;

(ii) the conditions precedent to the making of Advances set forth in Section 8.2 shall be satisfied as of the date of the increase in the Maximum Credit, both before and after giving effect to such increase whether or not an Advance is then being made;

(iii) Upon the request of Agent, Agent shall have received an opinion of counsel to Loan Parties in form and substance and from counsel reasonably satisfactory to Agent addressing such matters as Agent may reasonably request (including an opinion that such increase shall not violate Material Contracts of Loan Parties), amendments to Mortgages and any other documents and agreements required by Agent with respect thereto;

(iv) such increase in the Maximum Credit on the date of the effectiveness thereof shall not violate any term or provisions of any applicable law, regulation or order or decree of any court or other Governmental Body and shall not be enjoined, temporarily, preliminarily or permanently;

(v) there shall have been paid to each Lender and Qualified Assignee, in each case, providing an additional Revolver Commitment in connection with such increase in the Maximum Credit all fees and expenses due and payable to such Person on or before the effectiveness of such increase, including, without limitation, all such fees payable pursuant to the Fee Letter; and

(vi) Agent shall have received an executed certificate of a senior officer of Administrative Loan Party, together with authorizing resolutions approving the increase in the Maximum Credit and all related amendments hereto and to the Other Documents in connection therewith, and certifying that Loan Parties are in compliance with all conditions hereunder to the effectiveness of an increase in the Maximum Credit, together with such other information as Agent may require, in each case in form and substance satisfactory to Agent.

(d) There shall have been paid to Agent, for the account of Agent and Lenders (in accordance with any agreement among them) all fees and expenses (including reasonable fees and expenses of counsel) due and payable pursuant to any of the Other Documents on or before the effectiveness of such increase to the extent relating to such increase.

(e) As of a Maximum Credit Increase Effective Date, each reference to the term Maximum Credit herein, and in any of the Other Documents shall be deemed amended to mean the amount of the Maximum Credit specified in the written notice from Agent to Administrative Loan Party of the increase in the Maximum Credit.

(f) As of the Closing Date, each Loan Party acknowledges, confirms and agrees that Agent and Lenders do not have credit approval to increase the Maximum Credit as in effect on the Closing Date and the terms and provisions of this Section 2.19 shall not constitute or be deemed to constitute a commitment by Agent or any Lender to increase the Maximum Credit as in effect on the Closing Date.

(g) To the extent of any contradiction or inconsistency between the terms and conditions set forth in this Section 2.19 and any other provision of this Agreement or any Other Document in respect of settlements, amendments, or otherwise, the provisions of this Section 2.19 shall prevail.

3. INTEREST AND FEES.

3.1 Interest.

Interest on Advances shall be payable to Agent for the benefit of Lenders in arrears on the first (1st) day of each month with respect to Base Rate Loans and, with respect to LIBOR Rate Loans (including, without limitation, Swingline Loan Advances), in arrears at the end of each Interest Period or, for LIBOR Rate Loans with an Interest Period in excess of three (3) months, at the earlier of each date that is three (3) months following date of the commencement of such Interest Period and at the end of such Interest Period. Interest charges shall be computed on the actual principal amount of Advances outstanding at a rate per annum equal to the applicable Interest Rate. Concurrent with any increase or decrease in the Base Rate, the Interest Rate for Base Rate Loans shall be similarly changed without notice or demand of any kind by an amount equal to the amount of such change in the Base Rate. At the election of Agent or the Required Lenders, upon and after the occurrence of an Event of Default, and during the continuation thereof, the outstanding Advances and all other Obligations shall bear interest at the applicable Interest Rate plus two (2) percentage points per annum (as applicable, the "Default Rate"). At the election of Agent or the Required Lenders, such Default Rate shall be applied retroactively to commence on the date of the first (1st) occurrence of the event giving rise to such Event of Default.

3.2 Letter of Credit Fees; Cash Collateral.

(a) The Borrowers shall pay (i) to Agent, for the benefit of Lenders according to their applicable Commitment Percentages, fees for each Letter of Credit for the period from and excluding the date of issuance of same to and including the date of expiration or termination, equal to the average daily face amount of each outstanding Letter of Credit multiplied by the Applicable

Margin for LIBOR Rate Loans, such fees to be calculated on the basis of a three hundred sixty (360) day year for the actual number of days elapsed and to be payable monthly in arrears on the first (1st) day of each month and for so long as any Letter of Credit remains outstanding, and (ii) to Agent for the benefit of the Issuer, any and all fees and expenses as agreed upon by the Issuer and Borrowers in connection with any Letter of Credit, including, without limitation, in connection with the opening, amendment or renewal of any such Letter of Credit and shall reimburse Agent for any and all fees and expenses, if any, paid by Agent to the Issuer (all of the foregoing fees described in clauses (i) and (ii) above, the "Letter of Credit Fees"). Any such charge in effect at the time of a particular transaction shall be the charge for that transaction, notwithstanding any subsequent change in the Issuer's prevailing charges for that type of transaction. At the election of Agent or the Required Lenders, upon the occurrence of an Event of Default, and during the continuation thereof, Agent may, and at the direction of the Required Lenders Agent shall, increase the Letter of Credit Fees by two (2) percentage points per annum. At the election of Agent or the Required Lenders, such increased Letter of Credit Fee shall be applied retroactively to commence on the first (1st) date of the occurrence of the event giving rise to such Event of Default. All Letter of Credit Fees payable hereunder shall be deemed earned in full on the date when the same are due and payable hereunder and shall not be subject to rebate or proration upon the termination of this Agreement for any reason.

(b) (i) At the election of Agent or the Required Lenders, at any time when a Default or an Event of Default has occurred and is continuing and (ii) on the Termination Date, Borrowers will cause cash to be deposited and maintained in a non-interest bearing account with Agent, as cash collateral, in an amount equal to one hundred five (105%) percent of the outstanding Letters of Credit and, if requested by Agent, Bank Product Obligations, and Borrowers hereby irrevocably authorize Agent, in its discretion, on Borrowers' behalf and in Borrowers' or Agent's name, to open such an account and to make and maintain deposits therein, or in an account opened by Borrowers, in the amounts required to be made by Borrowers, out of the proceeds of Receivables or other Collateral or out of any other funds of Borrowers coming into Agent or any Lender's possession at any time. The Borrowers may not withdraw amounts credited to any such account except upon Payment in Full of all of the Obligations.

3.3 Loan Fees.

(a) Unused Line Fee. If, for any month during the Term, the average daily unpaid balance of the Revolving Advances and Letters of Credit for each day of such month does not equal the Maximum Revolving Advance Amount, then Borrowers shall pay to Agent, for the ratable benefit of Lenders (other than any Defaulting Lenders) according to their Commitment Percentages, a fee at a rate equal to 0.30% per annum on the amount by which the Maximum Revolving Advance Amount exceeds such average daily unpaid balance. Such fee shall be payable to Agent in arrears on the first (1st) day of each month, commencing September 1, 2020.

(b) Other Fees. The Borrowers shall pay to Agent, for Agent's own account (and not for the account of any Lender), the other fees and amounts set forth in the Fee Letter in the amounts and at the times specified therein.

3.4 Computation of Interest and Fees.

Interest and fees (other than the unused line fee payable pursuant to Section 3.3(a)) hereunder shall be computed on the basis of a year of three hundred sixty (360) days and for the actual number of days elapsed; except, that, interest on Base Rate Loans and on the unused line fee payable pursuant to Section 3.3(a) shall be computed on the basis of a year of three hundred and sixty-five (365) or three hundred and sixty-six (366) days, as applicable, and for the actual number of days elapsed. If any payment to be made hereunder becomes due and payable on a day other than a Business Day, the due date thereof shall be extended to the next succeeding Business Day and interest thereon shall be payable at the applicable Interest Rate for Base Rate Loans during such extension.

3.5 Maximum Charges.

In no event whatsoever shall interest and other charges charged hereunder exceed the highest rate permissible under law. In the event interest and other charges as computed hereunder would otherwise exceed the highest rate permitted under law, such excess amount shall be first applied to any unpaid principal balance owed by Borrowers, and if the then remaining excess amount is greater than the previously unpaid principal balance, Lenders shall promptly refund such excess amount to Borrowers and the provisions hereof shall be deemed amended to provide for such permissible rate.

3.6 Increased Costs.

In the event that any applicable law, treaty or governmental regulation, or any change therein or in the interpretation or application thereof is effected after the Closing Date (provided, however, that, notwithstanding anything herein to the contrary, this Section 3.6 shall be deemed to apply to the Dodd-Frank Wall Street Reform and Consumer Protection Act and to The Basel III Accord published by The Basel Committee on Banking Supervision, and to all requests, rules, regulations, guidelines or directives under either of the foregoing or issued in connection therewith, regardless of the date enacted, adopted or issued, even if enacted, adopted or issued before the Closing Date), or compliance by any Lender (for purposes of this Section 3.6, the term "Lender" shall include Agent or any Lender or Issuer and any Person controlling Agent or any Lender or Issuer or any Subsidiary of Agent or any Lender) and the office or branch where any Lender makes or maintains any LIBOR Rate Loans with any request or directive (whether or not having the force of law) from any central bank or other financial, monetary or other authority, in each case adopted after the Closing Date, shall:

(a) subject any Lender to any tax (other than any Excluded Tax) of any kind whatsoever, as a result of a Change in Tax Law, with respect to this Agreement or any Other Document or change the basis of taxation of payments to any Lender of principal, fees, interest or any other amount payable in respect thereof (except for changes in any Excluded Tax);

(b) impose, modify or hold applicable any reserve, special deposit, assessment or similar requirement against assets held by, or deposits in or for the account of, advances or loans by, or other credit extended by, any office of any Lender, including (without limitation) pursuant to Regulation D of the Board of Governors of the Federal Reserve System; or

(c) impose on any Lender any other condition with respect to this Agreement or any Other Document;

and the result of any of the foregoing is to increase the cost to any Lender of making, renewing or maintaining its Advances and/or Letters of Credit hereunder or to reduce the amount of any payment (whether of principal, interest or otherwise) in respect of any of the Advances and/or Letters of Credit or the Lender's overall capital, then, in any case Borrowers shall promptly pay such Lender, upon its demand, such additional amount as will compensate such Lender for such additional cost or such reduction, as the case may be. Such Lender shall certify the amount of such additional cost or reduced amount to Administrative Loan Party and Agent, and such certification shall be conclusive absent manifest error.

If any Lender requests compensation under this Section 3.6, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking such Lender's Advances and/or Letters of Credit or to assign its rights and obligations hereunder to another of its offices, branches or affiliates if, in the judgment of Agent, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to this Section 3.6 in the future, and (ii) in each case, would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. Borrowers hereby agree to pay all reasonable costs and expenses incurred by Agent or such Lender in connection with any such designation or assignment.

3.7 Capital Adequacy.

(a) In the event that any Lender (for purposes of this Section 3.7, the term "Lender" shall include Agent or any Lender or Issuer and any Person controlling Agent or any Lender or Issuer) shall have determined that any applicable law, rule, regulation or guideline regarding capital adequacy in effect on the Closing Date, or any change therein effected after the Closing Date, or any change in the interpretation or administration thereof by any Governmental Body, central bank or other financial, monetary or other authority, in each case adopted after the Closing Date, charged with the interpretation or administration thereof, or compliance by any Lender and the office or branch where any Lender (as so defined) makes or maintains any LIBOR Rate Loans with any request or directive regarding capital adequacy or liquidity requirements (whether or not having the force of law) of any such authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on any Lender's capital as a consequence of its obligations hereunder to a level below that which such Lender could have achieved but for such adoption, change or compliance (taking into consideration each Lender's policies with respect to capital adequacy and liquidity), then, from time to time, Borrowers shall pay upon demand to such Lender such additional amount or amounts as will compensate such Lender for such reduction; provided, however, that, notwithstanding anything herein to the contrary, this Section 3.7 shall be deemed to apply to the Dodd-Frank Wall Street Reform and Consumer Protection Act and to The Basel III Accord published by The Basel Committee on Banking Supervision, and to all requests, rules, regulations, guidelines or directives under either of the foregoing or issued in connection therewith, regardless of the date enacted, adopted or issued, even if enacted, adopted

or issued before the Closing Date. In determining such amount or amounts, such Lender may use any reasonable averaging or attribution methods. Such Lender shall certify the amount of such reduction and provide a reasonably detailed calculation thereof to Administrative Loan Party and Agent. Notwithstanding anything to the contrary in this Section 3.7, Loan Parties shall not be required to compensate a Lender pursuant to this Section 3.7 for any amounts incurred more than one hundred eighty (180) days prior to the date that such Lender notifies Administrative Loan Party of such Lender's intention to claim compensation therefor; provided, that, if the circumstances giving rise to such claim have a retroactive effect, then such one hundred eighty (180) day period shall be extended to include the period of such retroactive effect. The protection of this Section 3.7 shall be available to each Lender regardless of any possible contention of invalidity or inapplicability with respect to the applicable law, regulation or condition.

(b) A certificate of such Lender setting forth such amount or amounts as shall be necessary to compensate such Lender with respect to Section 3.7(a) when delivered to Administrative Loan Party and Agent shall be conclusive absent manifest error.

3.8 Inability to Determine Interest Rate (Temporary).

Notwithstanding any other provision of this Agreement, if at any time prior to a Benchmark Termination Event ,Agent shall reasonably determine (which determination shall be conclusive and binding absent manifest error) that, (a) by reason of circumstances affecting the relevant market, reasonable and adequate means do not exist for ascertaining the Adjusted LIBOR Rate for an Interest Period, or (b) a contingency has occurred which materially and adversely affects the London interbank offered dollar rate market relating to the Adjusted LIBOR Rate or (c) the Adjusted LIBOR Rate does not adequately and fairly reflect the cost to any Lender of funding LIBOR Rate Loans that Borrowers have requested be outstanding as a LIBOR Rate Loan during an Interest Period, Agent shall forthwith notify Administrative Loan Party at least two (2) Business Days prior to the first day of such Interest Period. Unless Administrative Loan Party shall have notified Agent upon receipt of such telephone notice that it wishes to rescind or modify its request regarding such LIBOR Rate Loans, any Loans that were requested to be made as LIBOR Rate Loan shall be made as Base Rate Loans and any Loans that were requested to be converted into or continued as LIBOR Rate Loans shall remain as or be converted into Base Rate Loans. Until any such notice has been withdrawn by Agent, no further Loans shall be made as, continued as, or converted into, LIBOR Rate Loans for the Interest Periods so affected.

3.9 Effect of Benchmark Transition Event

(a) Benchmark Replacement. In connection with the implementation of a Benchmark Replacement, Agent and Required Lenders will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of Borrowers.

(b) Benchmark Replacement Conforming Changes. In connection with the implementation of a Benchmark Replacement, Agent will have the right to make Benchmark

Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any Other Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement.

(c) Notices; Standards for Decisions and Determinations. Agent will promptly notify Administrative Loan Party of (i) any occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date and Benchmark Transition Start Date, (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes and (iv) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by Agent pursuant to this Section titled "Effect of Benchmark Transition Event," including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding absent manifest error and may be made in Agent's sole discretion and without consent from Borrowers.

(d) Benchmark Unavailability Period. Upon Administrative Loan Party's receipt of notice of the commencement of a Benchmark Unavailability Period, Borrowers may revoke any request for a LIBOR Rate Loan, conversion to or continuation of LIBOR Rate Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, Borrowers will be deemed to have converted any such request into a request for a borrowing of or conversion to Base Rate Loans.

(e) Certain Defined Terms. As used in this Section titled "Effect of Benchmark Transition Event":

"**Benchmark Replacement**" shall mean the sum of: (a) the alternate benchmark rate (which may include SOFR or Term SOFR) that has been selected by Agent giving due consideration to (i) any selection or recommendation of a replacement rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a rate of interest as a replacement to LIBOR for U.S. dollar-denominated syndicated or bilateral credit facilities and (b) the Benchmark Replacement Adjustment; provided, that, if the Benchmark Replacement as so determined would be less than zero, the Benchmark Replacement will be deemed to be zero for the purposes of this Agreement.

"**Benchmark Replacement Adjustment**" shall mean, with respect to any replacement of LIBOR with an Unadjusted Benchmark Replacement for each applicable Interest Period, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by Agent giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of LIBOR with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of LIBOR with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated syndicated or bilateral credit facilities at such time.

"**Benchmark Replacement Conforming Changes**" shall mean, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Interest Period," timing and frequency of determining rates and making payments of interest and other administrative matters) that Agent decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by Agent in a manner substantially consistent with market practice (or, if Agent decides that adoption of any portion of such market practice is not administratively feasible or if Agent determines that no market practice for the administration of the Benchmark Replacement exists, in such other manner of administration as Agent decides is reasonably necessary in connection with the administration of this Agreement).

"**Benchmark Replacement Date**" shall mean the earlier to occur of the following events with respect to LIBOR: (a) in the case of clause (a) or (b) of the definition of "Benchmark Transition Event," the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of LIBOR permanently or indefinitely ceases to provide LIBOR; or (b) in the case of clause (c) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information referenced therein.

"**Benchmark Transition Event**" shall mean the occurrence of one or more of the following events with respect to LIBOR:

(a) a public statement or publication of information by or on behalf of the administrator of LIBOR announcing that such administrator has ceased or will cease to provide LIBOR, permanently or indefinitely;

(b) a public statement or publication of information by the regulatory supervisor for the administrator of LIBOR, the U.S. Federal Reserve System, an insolvency official with jurisdiction over the administrator for LIBOR, a resolution authority with jurisdiction over the administrator for LIBOR or a court or an entity with similar insolvency or resolution authority over the administrator for LIBOR, which states that the administrator of LIBOR has ceased or will cease to provide LIBOR permanently or indefinitely; or

(c) a public statement or publication of information by the regulatory supervisor for the administrator of LIBOR announcing that LIBOR is no longer representative.

"**Benchmark Transition Start Date**" shall mean (a) in the case of a Benchmark Transition Event, the earlier of (i) the applicable Benchmark Replacement Date and (ii) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication) and (b) in the case of an Early Opt-in Election, the date specified by Agent or the Required Lenders, as applicable, by notice to the Administrative Loan Party, Agent (in the case of such notice by the Required Lenders) and Lenders.

"**Benchmark Unavailability Period**" shall mean, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to LIBOR and solely to the extent that LIBOR has not been replaced with a Benchmark Replacement, the period (a) beginning at the time that such Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced LIBOR for all purposes hereunder in accordance with the Section titled "Effect of Benchmark Transition Event" and (b) ending at the time that a Benchmark Replacement has replaced LIBOR for all purposes hereunder pursuant to the Section titled "Effect of Benchmark Transition Event."

"**Early Opt-in Election**" shall mean the occurrence of: (a) a determination by Agent that at least three currently outstanding U.S. dollar denominated syndicated or bilateral credit facilities at such time contain (as a result of amendment or as originally executed) as a benchmark interest rate, in lieu of LIBOR, a new benchmark interest rate to replace LIBOR, and (b) the election by Agent to declare that an Early Opt-in Election has occurred and the provision by Agent of written notice of such election to the Administrative Loan Party.

"**Federal Reserve Bank of New York's Website**" shall mean the website of the Federal Reserve Bank of New York at http://www.newyorkfed.org, or any successor source.

"**Relevant Governmental Body**" shall mean the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

"**SOFR**" with respect to any day shall mean the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark, (or a successor administrator) on the Federal Reserve Bank of New York's Website.

"**Term SOFR**" shall mean the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

"**Unadjusted Benchmark Replacement**" shall mean the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

3.10 Withholding Taxes.

Except as otherwise required by law and subject to Section 16.3, each payment by Borrowers or the Guarantors under this Agreement or the Other Documents shall be made without withholding or deduction for or on account of any present or future Taxes or Charges (other than Excluded Taxes). If any such withholding or deduction for Taxes or Charges is so required, Borrowers or Guarantors, as applicable, shall promptly upon becoming aware that such withholding or deduction is necessary, notify Agent and shall make the withholding or deduction, pay the amount withheld to the appropriate Governmental Body before penalties attach thereto or

interest accrues thereon and except with respect to Excluded Taxes forthwith pay such additional amount as may be necessary to ensure that the net amount actually received by Agent and each Lender free and clear of such taxes (including such taxes on such additional amount) is equal to the amount which that Agent or such Lender (as the case may be) would have received had such withholding or deduction not been made. Within thirty (30) days of paying any amount withheld or deducted on account of tax, Administrative Loan Party shall, or shall procure that the other relevant Borrower shall, deliver to Agent evidence (reasonably satisfactory to Agent) that the appropriate payment has been paid to the relevant tax authority. If Agent or any Lender pays any amount in respect of any such Taxes (other than Excluded Taxes), Borrowers and Guarantors shall reimburse Agent or such Lender for that payment on demand in the currency in which such payment was made. If Borrowers or Guarantors pay any such Taxes, it shall deliver official tax receipts evidencing that payment or certified copies thereof to Agent or Lender on whose account such withholding was made (with a copy to Agent if not the recipient of the original) on or before the thirtieth (30th) day after payment.

4. GRANT OF SECURITY INTEREST; COLLATERAL COVENANTS.

4.1 Security Interest in the Collateral.

To secure the prompt payment and performance of all of the Obligations to each Secured Party, each Loan Party hereby collaterally assigns, pledges and grants to Agent, for the ratable benefit of each Secured Party, a continuing Lien in and to all of its Collateral, whether now owned or existing or hereafter acquired or arising and wheresoever located. Each Loan Party shall mark its books and records as may be necessary or appropriate to evidence, protect and perfect Agent's Lien and shall cause its financial statements, where applicable, to reflect such Lien.

4.2 Perfection of Security Interest.

(a) Each Loan Party shall take all action that may be necessary or desirable, or that Agent may request in its Permitted Discretion, so as at all times to maintain the validity, perfection, enforceability and priority of Agent's Lien in the Collateral to the extent required by this Agreement or any Other Documents.

(b) Agent may, and each Loan Party hereby authorizes Agent to, at any time and from time to time file in accordance with Section 9-509 of the UCC, financing statements and amendments thereto that describe the Collateral as "all assets" or similar language of the applicable Loan Party and which contain any other information required by the UCC for the sufficiency or filing office acceptance of any financing statements, continuation statements or amendments. Each Loan Party agrees to furnish any such information to Agent promptly upon request.

(c) Each Loan Party shall, at any time and from time to time, take such steps as Agent may request in its Permitted Discretion to (i) obtain an acknowledgment, in form and substance reasonably satisfactory to Agent, of any bailee having possession of any of the Collateral, stating that the bailee holds such Collateral for Agent, (ii) obtain "control" of any letter-of-credit rights, deposit accounts (other than Restricted Accounts) or electronic chattel paper (as such terms are defined in the UCC with corresponding provisions thereof defining what constitutes

"control" for such items of Collateral), with any agreements establishing control to be in form and substance reasonably satisfactory to Agent, (iii) obtain Collateral Access Agreements with respect to third party Collateral locations, and (iv) otherwise insure the continued perfection and priority of Agent's Liens in any of the Collateral for the benefit of Lenders and of its rights therein. If any Loan Party shall at any time, acquire a "commercial tort claim" (as such term is defined in the UCC) in excess of $250,000, such Loan Party shall promptly notify Agent thereof in writing (which notice shall be deemed to be an update of Schedule 5.8(b)), therein providing a reasonable description and summary thereof, and upon delivery thereof to Agent, such Loan Party shall be deemed to thereby have granted to Agent, for the ratable benefit of each Secured Party (and each Loan Party hereby grants to Agent, for the ratable benefit of each Secured Party) a Lien in and to each such commercial tort claim and all proceeds thereof, all upon the terms of and governed by this Agreement to secure the prompt payment and performance of all of the Obligations.

(d) Each Loan Party hereby confirms and ratifies all UCC financing statements filed by Agent with respect to such Loan Party on or prior to the date of the Agreement.

(e) All charges, expenses and fees Agent may incur in doing any of the foregoing, and any taxes relating thereto, shall be charged to Borrowers' Account as a Revolving Advance and added to the Obligations, or, at Agent's option, shall be paid by Loan Parties to Agent promptly upon demand.

4.3 Preservation of Collateral.

Following the occurrence and during the continuance of an Event of Default, in addition to the rights and remedies set forth in Section 11.1, Agent: (a) may at any time take such steps as Agent deems necessary or appropriate to protect Agent's Lien in and to preserve the Collateral, including, without limitation, the hiring of such security guards or the placing of other security protection measures as Agent may deem appropriate; (b) may employ and maintain at any Loan Party's premises a custodian who shall have full authority to do all acts necessary to protect Agent's interests in the Collateral; (c) may lease warehouse facilities to which Agent may move all or part of the Collateral; (d) may use any Loan Party's owned or leased lifts, hoists, trucks and other facilities or equipment for handling or removing the Collateral; (e) shall have, and is hereby granted, a right of ingress and egress to the places where the Collateral is located, and may proceed over and through any Loan Party's owned or leased property; and (f) shall have a non-exclusive, royalty-free, license to use each Loan Party's Intellectual Property for the purposes of the completion, processing and sale of such Loan Party's Inventory and other assets. At such time, each Loan Party shall cooperate fully with all of Agent's commercially reasonable efforts to preserve the Collateral and will take such actions to preserve the Collateral as Agent may direct in connection therewith. All of Agent's expenses of preserving the Collateral, including, without limitation, any expenses relating to any actions by Agent described in this Section 4.3, may, at the election of Agent, be charged to Borrowers' Account and added to the Obligations.

4.4 Ownership and Location of Collateral.

(a) At the time the Collateral becomes subject to Agent's Lien, each Loan Party shall be the sole owner of and fully authorized and able to sell, transfer, pledge and/or grant a first priority Lien (subject to Permitted Encumbrances having priority by operation of law) in each and every item of its respective Collateral to Agent; and, except for Permitted Encumbrances, the Collateral shall be free and clear of all Liens and encumbrances whatsoever.

(b) Each Loan Party's books and records, Equipment, Inventory and all other assets (other than (i) motor vehicles and (ii) Equipment out for repair in the ordinary course of business) shall be located at one of the locations set forth on Schedule 4.4 (as such Schedule may from time to time be updated in accordance with Section 7.18) and shall not be removed from such location(s) without the prior written consent of Agent.

4.5 Defense of Agent's and Lenders' Interests.

Until all of the Obligations have been Paid in Full, Agent's Liens in the Collateral shall continue in full force and effect. For so long as Agent's Liens in the Collateral continue in full force and effect, no Loan Party shall, without Agent's prior written consent, pledge, assign, transfer, create, charge or suffer to exist a Lien upon any part of the Collateral, except for Permitted Encumbrances. Each Loan Party shall defend Agent's Liens in the Collateral against any and all Persons whatsoever. At any time following demand by Agent for payment of all Obligations in accordance with Section 11.1, in addition to and not in limitation of Agent's rights and remedies set forth in Section 11.1: (a) Agent shall have the right to take possession of the indicia of the Collateral and the Collateral, (b) Loan Parties shall, upon Agent's demand, assemble the Collateral in the best manner possible and make it available to Agent at a place reasonably convenient to Agent, and (c) upon demand by Agent each Loan Party shall, and Agent may, at its option, instruct all suppliers, carriers, forwarders, warehouses or others receiving or holding cash, checks, Inventory, documents or instruments of such Loan Party to deliver same to Agent (or any Person designated by Agent) and/or subject to Agent's order and if they shall come into any Loan Party's possession, all such Collateral shall be held by such Loan Party in trust as Agent's trustee, and such Loan Party will immediately deliver such Collateral to Agent (or any Person designated by Agent) in their original form, together with any necessary endorsement.

4.6 Books and Records.

Each Loan Party shall, and shall cause each of its Subsidiaries to, (a) keep proper books of record and account in which full, true and correct entries will be made of all dealings or transactions of or in relation to its business and affairs; (b) set up on its books accruals with respect to all taxes, assessments, charges, levies and claims; and (c) on a reasonably current basis set up on its books, from its earnings, allowances against doubtful Receivables, advances and investments and all other proper accruals (including without limitation by reason of enumeration, accruals for premiums, if any, due on required payments and accruals for depreciation, obsolescence, or amortization of properties), which should be set aside from such earnings in connection with its business. All determinations pursuant to this subsection shall be made in accordance with, or as required by, GAAP consistently applied.

4.7 Financial Disclosure.

Each Loan Party hereby irrevocably authorizes and directs all Accountants and auditors employed by such Loan Party at any time during the Term to exhibit and deliver to Agent copies of any of such Loan Party's and each of its Subsidiaries' financial statements, trial balances or other accounting records of any sort in the Accountant's or auditor's possession, and to disclose to Agent any information such Accountants may have concerning such Loan Party's and each of its Subsidiaries' financial status and business operations. Each Loan Party hereby authorizes all federal, state and municipal authorities to furnish to Agent copies of reports or examinations relating to such Loan Party or to any of its Subsidiaries, whether made by such Loan Party or otherwise. Notwithstanding the foregoing authorization, so long as no Default or Event if Default is in existence, Agent will attempt to obtain such information or materials directly from such Loan Party prior to obtaining such information or materials from such Accountants, auditors or such authorities.

4.8 Compliance with Laws.

Each Loan Party shall, and shall cause each of its Subsidiaries to, comply in all respects with all acts, rules, regulations and orders of any Governmental Body applicable to its respective Collateral or any part thereof or to the operation of such Person's business the non-compliance with which could reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect. Each Loan Party may, however, contest or dispute any acts, rules, regulations, orders and directions of those bodies or officials in any reasonable manner; provided, that, if as a result of such contest or dispute commenced at the option of any Loan Party, any related Lien is inchoate or stayed and, at Agent's option, sufficient Reserves shall be established to the satisfaction of Agent to protect Agent's Lien in the Collateral. The Collateral at all times shall be maintained in accordance in all material respects with the requirements of all insurance carriers which provide insurance with respect to the Collateral so that such insurance shall remain in full force and effect.

4.9 Inspection of Premises/Appraisals.

At any time during the existence of an Event of Default, and otherwise at all reasonable times during normal business hours (provided, however, that in the absence of a continuing Event of Default, only one such visit or inspection in any calendar year will be at Borrowers' expense), Agent shall have the right, at Borrowers' expense, (a) to audit, check, inspect and make abstracts and copies from each Loan Party's books, records, audits, correspondence and all other papers relating to the Collateral and the operation of each Loan Party's business and (b) to enter, or to have their agents enter, upon any Loan Party's premises at any time during business hours and at any other reasonable time, and from time to time, for the purpose of inspecting the Collateral (and/or with respect to Agent (and Persons designated by Agent) appraising the Collateral) and any and all books and records pertaining thereto and the operation of such Loan Party's business. From time to time as determined by Agent, Agent shall have the right to conduct appraisals (or have other Persons selected by Agent conduct appraisals) of the Inventory, Equipment, Real Property and other Collateral, in each case, at all times subject to Section 16.10(c) with respect to associated expense reimbursement.

4.10 Insurance.

Each Loan Party shall bear the full risk of any loss of any nature whatsoever with respect to the Collateral. At each Loan Party's own cost and expense, each Loan Party shall, and shall cause each of its Subsidiaries to, maintain insurance in amounts, types and with carriers in each case acceptable to Agent. Without limiting the foregoing, each Loan Party shall, and shall cause each of its Subsidiaries to, (a) keep all its insurable properties insured against the hazards of fire, flood, those hazards covered by extended coverage insurance and such other hazards, and for such amounts, not less than as is customary in the case of companies engaged in businesses similar to such Loan Party's business, including, without limitation, business interruption insurance; (b) maintain liability insurance against claims for personal injury, death or property damage suffered by others; and (c) maintain all such worker's compensation or similar insurance as may be required under the laws of any state or jurisdiction in which Loan Party is engaged in business. Each Loan Party shall (i) furnish Agent with copies of all policies and evidence of the maintenance of such policies required hereby upon the request of Agent and (ii) cause all such policies to include appropriate lender's loss payable endorsements, and/or additional insured endorsements, in form and substance reasonably satisfactory to Agent, providing with respect to lender's loss payable endorsements that (A) all proceeds thereunder shall be payable to Agent, (B) no such insurance shall be affected by any act or neglect of the insured or owner of the property described in such policy, and (C) that such policy and lender's loss payable clauses may not be cancelled, amended or terminated unless at least thirty (30) days' prior written notice is given to Agent (or such shorter period as Agent may agree). If any insurance losses are paid by check, draft or other instrument payable to any Loan Party and Agent jointly, Agent may endorse such Loan Party's name thereon and do such other things as Agent may deem advisable to reduce the same to cash and apply the same in accordance with this Agreement.

4.11 Failure to Pay Insurance.

If any Loan Party fails to obtain insurance as hereinabove provided, or to keep the same in force, Agent, at its option, may obtain such insurance and pay the premium therefor for Borrowers' Account, and charge Borrowers' Account therefor and such expenses so paid shall be part of the Obligations, without any responsibility on Agent's part for obtaining the insurance, the solvency of the insurance companies, the adequacy of the coverage, or the collection of claims.

4.12 Payment of Taxes.

Each Loan Party shall, and shall cause each of its Subsidiaries to, pay, when due, all federal, state and other material Taxes and other Charges lawfully levied or assessed upon such Person or any of the Collateral, except for those Taxes and Charges that are being contested in good faith by appropriate proceedings diligently pursued and available to such Loan Party, which proceedings (or orders entered in connection with such proceedings) stay the forfeiture or sale of, or other enforcement against, the property subject to any such taxes, assessments, fees and other governmental charges and with respect to which adequate reserves have been set aside on the books of such Loan Party in accordance with GAAP consistently applied. If any Tax or other Charges remain unpaid after the date fixed for their payment, or if any claim shall be made which, in Agent's opinion, may possibly create a valid Lien on the Collateral (which is not otherwise a

Permitted Encumbrance), Agent may without notice to Loan Parties pay such Taxes or other Charges and each Loan Party hereby indemnifies and holds Agent and each Lender harmless in respect thereof. The amount of any payment by Agent under this Section 4.12 may, at the election of Agent, be charged to Borrowers' Account and added to the Obligations and, until Loan Parties shall furnish Agent with an indemnity therefor (or supply Agent with evidence satisfactory to Agent that due provision for the payment thereof has been made), Agent may hold without interest any balance standing to Loan Parties' credit and Agent shall retain its Lien in any and all Collateral held by Agent.

4.13 Payment of Leasehold Obligations.

Each Loan Party shall, and shall cause each of its Subsidiaries to, at all times pay, when and as due, its rental obligations under all leases under which it is a tenant, and shall otherwise comply, in all material respects, with all other terms of such leases and keep them in full force and effect and, at Agent's request will provide evidence of having done so, except, in each case, where the failure to do so could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

4.14 Accounts and other Receivables.

(a) Nature of Accounts. Each of the Accounts that Administrative Loan Party or any Borrower reports as being an Eligible Account or requests be treated as an Eligible Account shall (i) be a bona fide and valid Account representing a bona fide Indebtedness incurred by the Customer therein named, for a fixed sum as set forth in the invoice relating thereto (provided immaterial or unintentional invoice errors shall not be deemed to be a breach hereof) with respect to an absolute sale or lease and delivery of Inventory upon stated terms of a Borrower, or work, labor or services theretofore rendered by a Borrower as of the date each Account is created, (ii) be due and owing in accordance with the invoice (excepting immaterial invoice errors) evidencing such Accounts without dispute, setoff or counterclaim, except as may be stated on the Accounts schedules delivered by Loan Parties to Agent (provided, that, immaterial errors in the Accounts schedules shall not be deemed to be a breach hereof), and (iii) satisfy each of the criteria set forth in the definition of "Eligible Accounts" set forth in this Agreement to qualify as an Eligible Account.

(b) Solvency of Customers. Each Customer, to the best of each Loan Party's knowledge, as of the date each Account (that Administrative Loan Party or any Borrower reports as being an Eligible Account or requests be treated as an Eligible Account) is created, is and will be Solvent and able to pay all Accounts on which the Customer is obligated in full when due or with respect to such Customers of any Loan Party who are not Solvent such Loan Party has set up on its books and in its financial records bad debt reserves adequate to cover such Accounts.

(c) Locations of Chief Executive Office. Each Loan Party's chief executive office is located at the addresses set forth on Schedule 4.14(c)) (as such schedule may from time to time be updated in accordance with Section 7.18). Until written notice is given to Agent by Administrative Loan Party of any other office at which any Loan Party keeps its records pertaining to Accounts and the other Receivables, all such records shall be kept at such executive office or otherwise as set forth on Schedule 4.14(c).

(d) Collection of Accounts and other Receivables. Until any Loan Party's authority to do so is terminated by Agent (which notice of termination Agent may give at any time following the occurrence and during the continuance of an Event of Default, each Loan Party will, at such Loan Party's sole cost and expense, collect all amounts received on Accounts and other Receivables. From and after the occurrence and during the continuance of an Event of Default, upon Agent's demand, each Loan Party shall deliver to Agent, in original form and on the date of receipt thereof, all checks, drafts, notes, money orders, acceptances, cash and other evidences of Indebtedness at any time received by Loan Parties.

(e) Notification of Assignment of Accounts and other Receivables; Verification. After the occurrence and during the continuance of an Event of Default, Agent shall have the right (i) to send notice of the assignment of, and Agent's Lien in, the Accounts and other Receivables of each Loan Party to any and all Customers, any other Person obligated on such Accounts and other Receivables or any third party holding or otherwise concerned with any of the Collateral (which notice may include a direction by Agent to make all payments thereon to an account designated by Agent) and (ii) at any time, in the name of Agent, any designee of Agent or any Borrower or any other Loan Party, to verify the validity, amount or any other matter relating to any Accounts and other Receivables of any Loan Party by mail, telephone or otherwise. Each Loan Party shall cooperate fully with Agent in an effort to facilitate and promptly conclude any such verification process. Following the occurrence and during the continuance of any Event of Default, at its option, Agent shall have the exclusive right to collect the Accounts and other Receivables of each Loan Party, take possession of the Collateral, or both. In such case, Agent's actual collection expenses, including, but not limited to, stationery and postage, telephone and facsimile, secretarial and clerical expenses and the salaries of any collection personnel used for collection, may be charged to Borrowers' Account and added to the Obligations.

(f) Power of Agent to Act on Loan Parties' Behalf. Agent shall have the right to receive, endorse, assign and/or deliver in the name of Agent or any Loan Party any and all checks, drafts and other instruments for the payment of money relating to the Accounts and other Receivables of each Loan Party, and each Loan Party hereby waives notice of presentment, protest and non-payment of any instrument so endorsed. Each Loan Party hereby constitutes Agent or Agent's designee as such Loan Party's attorney with power (i): upon the occurrence and during the continuance of an Event of Default, to endorse such Loan Party's name upon any notes, acceptances, checks, drafts, money orders or other evidences of payment or Collateral; (ii) upon the occurrence and during the continuance of an Event of Default, to sign such Loan Party's name on any invoice or bill of lading relating to any of the Accounts and other Receivables of each such Loan Party, drafts against Customers, assignments and verifications of Accounts and other Receivables of each such Loan Party; (iii) at any time, to send verifications of Accounts and other Receivables of each such Loan Party to any Customer or Person; (iv) at any time, to sign such Loan Party's name on all financing statements or any other documents or instruments deemed necessary or appropriate by Agent to preserve, protect, or perfect Agent's interest in the Collateral and to file same; (v) after the occurrence and during the continuance of an Event of Default, to demand payment of the Accounts and other Receivables of each such Loan Party; (vi) after the

occurrence and during the continuance of an Event of Default, to enforce payment of the Accounts and other Receivables of each such Loan Party by legal proceedings or otherwise; (vii) after the occurrence and during the continuance of an Event of Default, to exercise all of Loan Parties' rights and remedies with respect to the collection of the Accounts, Receivables and any other Collateral; (viii) after the occurrence and during the continuance of an Event of Default, to settle, adjust, compromise, extend or renew the Accounts and other Receivables of each such Loan Party; (ix) after the occurrence and during the continuance of an Event of Default, to settle, adjust or compromise any legal proceedings brought to collect Accounts and other Receivables of each such Loan Party; (x) after the occurrence and during the continuance of an Event of Default, to prepare, file and sign such Loan Party's name on a proof of claim in bankruptcy or similar document against any Customer or any other Person obligated with respect to an Account or other Receivable of each such Loan Party; (xi) to prepare, file and sign such Loan Party's name on any notice of Lien, assignment or satisfaction of Lien or similar document in connection with the Accounts and other Receivables of each such Loan Party; and (xii) after the occurrence and during the continuance of an Event of Default, to do all other acts and things necessary to carry out this Agreement. All acts of said attorney or designee are hereby ratified and approved, and said attorney or designee shall not be liable for any acts of omission or commission nor for any error of judgment or mistake of fact or of law, unless done maliciously or with gross (not mere) negligence, as determined pursuant to a final, non-appealable order of a court of competent jurisdiction; this power being coupled with an interest is irrevocable at all times until all of the Obligations have been Paid in Full. Agent shall have the right at any time following the occurrence and during the continuance of an Event of Default, to change the address for delivery of mail addressed to any Loan Party to such address as Agent may designate and to receive, open and dispose of all mail addressed to any Loan Party.

(g) No Liability. Neither Agent nor any Lender shall, under any circumstances or in any event whatsoever, have any liability for any error or omission or delay of any kind occurring in the settlement, collection or payment of any of the Accounts, other Receivables or any instrument received in payment thereof, or for any damage resulting therefrom. Following the occurrence and at any time during the continuance of an Event of Default, Agent may, without notice or consent from any Loan Party, sue upon or otherwise collect, extend the time of payment of, compromise or settle for cash, credit or upon any terms any of the Accounts, other Receivables or any other securities, instruments or insurance applicable thereto and/or release any obligor thereof. Agent is authorized and empowered to accept following the occurrence and during the continuance of an Event of Default the return of the goods represented by any of the Accounts and other Receivables, without notice to or consent by any Loan Party, all without discharging or in any way affecting any Loan Party's liability hereunder.

(h) Establishment of a Lockbox Account, Dominion Account; Cash Dominion. As of the Closing Date and at all times thereafter, each Loan Party shall establish and maintain a lockbox account, dominion account or such other "blocked account" (together with the Cash Receipt Accounts and the Operating Accounts, collectively, the "Blocked Accounts") with TD Bank, N.A., or, with Agent's prior written consent, such banks as may be selected by each such Loan Party and reasonably acceptable to Agent with respect to all of its deposit and other accounts (other than Restricted Accounts). As of the Closing Date and at all times thereafter, all proceeds of Collateral and all other cash and Cash Equivalents of each such Loan Party (other than amounts properly on deposit in Restricted Accounts) shall at all times be deposited by each Loan Party in

the Blocked Accounts, and Loan Parties shall (as agent and trustee for Agent) cause each of their Customers and all other applicable Persons to at all times send payments on all Accounts and other Receivables of Loan Parties into the Blocked Accounts. If, for any reason any Customer makes payments on any Account or other Receivable directly to any Loan Party, such Loan Party shall collect (as agent and trustee for Agent) all such amounts and immediately pay all such amounts into a Blocked Account; provided, however, that, until such payment into a Blocked Account, all moneys so received will be held upon trust for and promptly remitted to Agent. Each Loan Party shall instruct all of its Customers to make all payments into a Blocked Account. All of the Blocked Accounts (but not the Restricted Accounts) shall be governed by "control" or other agreements in form and substance acceptable to Agent satisfactory to, among other things, establish Agent's perfection and rights in such Blocked Accounts or other accounts under the UCC and other applicable law. All invoices for sales of Inventory or services by Loan Parties shall contain the address of the Blocked Accounts as the address for remittance of payment. The "control" agreements covering the Blocked Accounts (other than Cash Receipt Accounts and Restricted Accounts) shall provide that (i) after delivery of a Control Notice (which may be delivered by Agent upon the occurrence and during the continuance of a Cash Dominion Event), (A) such bank or other institution shall comply with the instructions given by Agent with respect to such Blocked Accounts and funds therein without further consent by Loan Parties and (B) all amounts in such Blocked Accounts shall be transferred on a daily basis by such bank or other institution to the Payment Account or such other account as may be designated by Agent, and (ii) such bank or other institution shall waive any offset rights against the funds so deposited into such Blocked Accounts (other than Restricted Accounts), subject to exceptions to such waiver of offset rights as shall be acceptable to Agent. The "control" agreements covering the Blocked Accounts constituting Cash Receipt Accounts shall provide that all amounts in such Cash Receipt Accounts shall be transferred on a daily basis by such bank or other institution to an Operating Account subject to a "control" agreement or, during any Cash Dominion Event, to the Payment Account or such other account as may be designated by Agent (it being understood and agreed that, during any Cash Dominion Event, each Loan Party will cooperate with Agent in amending or otherwise modifying any "control" agreement in order to effectuate the foregoing). Neither Agent nor any Lender assumes any responsibility for any Blocked Account arrangement, including without limitation, any claim of accord and satisfaction or release with respect to deposits accepted by any bank thereunder. Alternatively, upon the occurrence and during the continuance of a Cash Dominion Event, Agent may establish depository accounts (collectively, the "Depository Accounts") in the name of Agent at a bank or banks for the deposit of such funds and Loan Parties shall deposit all proceeds of Collateral or cause same to be deposited, in kind, in such Depository Accounts of Agent in lieu of depositing same to the Blocked Accounts.

(i) DDA Notifications; Credit Card Notifications. As of the Closing Date and at all times thereafter, Loan Parties shall deliver to the Agent copies of notifications in form and substance reasonably satisfactory to Agent (each, a "Credit Card Notification which have been executed on behalf of such Loan Party and delivered to such Loan Party's Credit Card Issuers and Credit Card Processors listed on Schedule 5.23. At the request of the Agent, the Loan Parties shall deliver to the Agent copies of notifications (each, a "DDA Notification"), in form and substance reasonably satisfactory to the Agent, which have been executed on behalf of such Loan Party and delivered to each depository institution listed on Schedule 5.23.The Loan Parties shall ACH or wire transfer no less frequently than daily (and whether or not there are then any outstanding Obligations) to a Blocked Account all amounts on deposit in each DDA and all payments due from all Credit Card Issuers and Credit Card Processors.

(j) Adjustments. No Loan Party will, without Agent's consent, compromise or adjust any Accounts or other Receivables (or extend the time for payment thereof) of any such Loan Party or accept any returns of merchandise or grant any additional discounts, allowances or credits thereon except for those compromises, adjustments, returns, discounts, credits and allowances in the ordinary course of business of such Loan Party, as previously disclosed to Agent.

4.15 Inventory.

All Inventory held for sale or lease by any Loan Party, has been and will be produced by such Loan Party in accordance with the Federal Fair Labor Standards Act of 1938, as amended, and all rules, regulations and orders thereunder.

4.16 Maintenance of Equipment.

All Equipment used or useful in the conduct of any Loan Party's business shall be maintained in good operating condition and repair (reasonable wear and tear excepted) and all necessary replacements of and repairs thereto shall be made so that the value and operating efficiency of such Equipment shall be maintained and preserved (reasonable wear and tear excepted). Each Loan Party shall use or operate any Equipment in compliance with Section 4.8. No Loan Party shall sell or otherwise Dispose of any of its Equipment, except to the extent set forth in Section 7.1.

4.17 Exculpation of Liability.

Nothing herein contained shall be construed to constitute Agent or any Lender as any Loan Party's agent for any purpose whatsoever, nor shall Agent or any Lender be responsible or liable for any shortage, discrepancy, damage, loss or destruction of any part of the Collateral wherever the same may be located and regardless of the cause thereof. Neither Agent nor any Lender, whether by anything herein or in any assignment or otherwise, assumes any of Loan Party's obligations under any contract or agreement to which it is a party, and neither Agent nor any Lender shall be responsible in any way for the performance by Loan Party of any of the terms and conditions thereof.

4.18 Environmental Matters.

(a) Loan Parties shall ensure any Real Property remains in compliance with all Environmental Laws and they shall not place or permit to be placed any Hazardous Substances on any such Real Property, except as not prohibited by applicable law or appropriate Governmental Body and except where any such noncompliance or placement could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

(b) Loan Parties shall assure and monitor continued compliance with all applicable Environmental Laws, except where any failure to comply could reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

(c) Loan Parties shall (i) employ in connection with the use of any Real Property appropriate technology necessary to maintain compliance with any applicable Environmental Laws, except where any such noncompliance could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect and (ii) dispose of any and all Hazardous Waste generated at such Real Property only at facilities and with carriers that maintain valid permits under RCRA and any other applicable Environmental Laws, except where the failure to do so could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect. Loan Parties shall use their best efforts to obtain certificates of disposal, such as hazardous waste manifest receipts, from all treatment, transport, storage or disposal facilities or operators employed by Loan Parties in connection with the transport or disposal of any Hazardous Waste generated at such Real Property, except where the failure to do so could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

(d) In the event any Loan Party obtains, gives or receives notice of any Release or threat of Release of a reportable quantity of any Hazardous Substances at any Real Property (any such event being hereinafter referred to as a "Hazardous Discharge") or receives any notice of violation, request for information or notification that it is potentially responsible for investigation or cleanup of environmental conditions at such Real Property, demand letter or complaint, order, citation, or other written notice with regard to any Hazardous Discharge or violation of Environmental Laws affecting such Real Property or any Loan Party's interest therein (any of the foregoing is referred to herein as an "Environmental Complaint") from any Person, including any state agency responsible in whole or in part for environmental matters in the state in which such Real Property is located or the United States Environmental Protection Agency (any such Person hereinafter the "Authority"), then Borrowers shall promptly (but in any case within five (5) Business Days) give written notice of same to Agent detailing facts and circumstances of which any Loan Party is aware giving rise to the Hazardous Discharge or Environmental Complaint. Such information is to be provided to allow Agent to protect its Lien in such Real Property and is not intended to create nor shall it create any obligation upon Agent or any Lender with respect thereto.

(e) Loan Parties shall respond promptly to any Hazardous Discharge or Environmental Complaint and take all necessary action in order to safeguard the health of any Person and to avoid subjecting the Collateral or any Real Property to any Lien, except where the failure to do so could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

(f) During the continuation of an Event of Default, promptly upon the written request of Agent, Loan Parties shall provide Agent, at Loan Parties' expense, with an environmental site assessment or environmental audit report prepared by an environmental engineering firm acceptable in the reasonable opinion of Agent, to assess with a reasonable degree of certainty the existence of a Hazardous Discharge and the potential costs in connection with abatement, cleanup and removal of any Hazardous Substances found on, under, at or within any Real Property.

(g) Loan Parties shall defend and indemnify Agent and Lenders and hold Agent, Lenders and their respective employees, agents, directors and officers harmless from and against all loss, liability, damage and expense, claims, costs, fines and penalties, including attorney's fees, suffered or incurred by Agent or Lenders under or on account of any Environmental Laws, including, without limitation, the assertion of any Lien thereunder, with respect to any Hazardous Discharge, the presence of any Hazardous Substances affecting any Real Property, whether or not the same originates or emerges from such Real Property or any contiguous real estate, except to the extent such loss, liability, damage and expense is attributable to any Hazardous Discharge resulting from actions on the part of Agent or any Lender caused by their gross (not mere) negligence or willful misconduct, as determined pursuant to a final, non-appealable order of a court of competent jurisdiction. Loan Parties' obligations under this Section 4.18 shall arise upon the discovery of the presence of any Hazardous Substances at Real Property, whether or not any federal, state, or local environmental agency has taken or threatened any action in connection with the presence of any Hazardous Substances. Loan Parties' obligation and the indemnifications hereunder shall survive the termination of this Agreement.

(h) For purposes of Sections 4.18 and 5.7, all references to any Real Property shall be deemed to include all of Loan Parties' and their respective Subsidiaries' right, title and interest in and to their respective owned and leased premises.

4.19 Financing Statements.

As of the Closing Date, except for the financing statements filed by Agent and the other financing statements described on Schedule 7.2 (if any), no financing statement covering any of the Collateral or any proceeds thereof is on file in any public office.

4.20 Grant of Security Interest in Hedging Contracts and Other Hedging Contracts.

(a) To secure the prompt payment and performance of all of the Obligations to each Secured Party, each Loan Party hereby collaterally assigns, pledges and grants to Agent, for the ratable benefit of each Secured Party, a continuing Lien on and security interest in, upon and to all Hedging Agreements, including, without limitation, (i) all rights to payments due Loan Party thereunder, including without limitation, payment upon termination, (ii) all rights and remedies thereunder and (iii) all collateral securing any counterparty's obligations to Loan Party thereunder, and all proceeds (as defined in the UCC) of any of the foregoing (collectively, "Hedge Collateral").

(b) Without Agent's prior written consent, which Agent may withhold for any reason or no reason:

(i) No Loan Party shall not assign, convey, encumber, grant a security interest or option relating to, hypothecate, mortgage, pledge, sell, or otherwise dispose of (directly or indirectly, voluntarily or involuntarily, by operation of law or otherwise, and whether or not for consideration) (each, a "Transfer") any Hedge Collateral. To the extent Transfer of any Hedge Collateral by any counterparty requires a Loan Party's consent, such Transfer shall also require Agent's 's consent.

(ii) No Loan Party shall amend, cancel, modify, or terminate any Hedge Collateral (or give any termination notice thereunder), or waive any terms thereof.

4.21 Collateral Field Examinations and Appraisals.

(a) Loan Parties agree that Agent (and their respective agents, representatives and consultants) shall be permitted to conduct from time to time field examinations with respect to the assets included in the Borrowing Base (and related assets); provided, that, Agent shall be permitted to conduct one field examination at the expense of the Loan Parties in any 12 month period; provided further, that (i) if at any time during any such 12 month period, Borrowers have Excess Availability of less than the greater of (A) $8,000,000, and (B) 17.5% of the Line Cap, there shall be one additional field examination permitted during such 12 month period at the expense of Borrowers, and (ii) during the existence and continuance of an Event of Default, there shall be no limit on the number of additional field examinations at the expense of the Loan Parties. Neither Agent nor any Lender shall have any duty to any Loan Party to make any inspection, nor to share any results of any inspection or report with any Loan Party. Each Loan Party acknowledges that all inspections and reports are prepared by Agent and the Lenders for their purposes and Loan Parties shall not be entitled to rely upon them. Any field examinations conducted in connection with a Permitted Acquisition shall be in addition to any field examinations under this Section 4.21.

(b) Loan Parties agree that Agent (and their respective agents, representatives and consultants) shall be permitted to conduct from time to time an appraisal of the Inventory and other Collateral provided, that, if at any time during any such 12 month period the principal amount of the Obligations under this Agreement exceeds $5,000,000, Agent shall be permitted to conduct one Inventory appraisal at the expense of the Loan Parties in such 12 month period; provided further, that (i) if at any time during any such 12 month period, Borrowers have Excess Availability of less than the greater of (A) $8,000,000, and (B) 17.5% of the Line Cap, there shall be one additional appraisal permitted during such 12 month period at the expense of Borrowers, and (ii) during the existence and continuance of an Event of Default, there shall be no limit on the number of additional appraisals at the expense of the Loan Parties. Neither Agent nor any Lender shall have any duty to any Loan Party to make any appraisal, nor to share any results of any appraisal with any Loan Party. Each Loan Party acknowledges that all appraisal and reports are prepared by Agent and the Lenders for their purposes and Loan Parties shall not be entitled to rely upon them. Any appraisal conducted in connection with a Permitted Acquisition shall be in addition to any field examinations under this Section 4.21.

(c) Upon reasonable notice to Administrative Loan Party, Agent shall be permitted to conduct additional field examinations and appraisals at the sole cost of the Agent and the Lenders.

5. REPRESENTATIONS AND WARRANTIES.

Each Loan Party represents and warrants as follows:

5.1 Authority, Etc.

Each Loan Party has the requisite limited liability company or corporate power and authority and legal right to enter into this Agreement and the Other Documents and to perform all its respective Obligations hereunder and thereunder. The execution, delivery and performance of this Agreement and of the Other Documents (a) are within such Loan Party's limited liability company, partnership or corporate powers, as applicable, have been duly authorized, are not in contravention of law or the terms of such Loan Party's certificate of formation, limited liability company agreement, certificate of incorporation, by-laws, partnership agreement or other applicable documents relating to such Loan Party's formation and governance or to the conduct of such Loan Party's business or of any material agreement or undertaking to which such Loan Party is a party or by which such Loan Party is bound, and (b) will not conflict with nor result in any breach in any of the provisions of or constitute a default under or result in the creation of any Lien except Permitted Encumbrances upon any asset of such Loan Party under the provisions of any agreement or instrument to which such Loan Party or its property is a party or by which it may be bound. The execution, delivery, and performance by each Loan Party of this Agreement and the Other Documents to which such Loan Party is a party and the consummation of the transactions contemplated by this Agreement and the Other Documents do not and will not require any registration with, Consent, or approval of, or notice to, or other action with or by, any Government Body, other than Consents or approvals that have been obtained or waived and that are still in force and effect or complied with, except for filings and recordings with respect to the Collateral to be made, or otherwise delivered to Agent for filing or recordation, as of the Closing Date. This Agreement and each Other Document has been duly executed and delivered by each Loan Party that is a party thereto and is a legally valid and binding obligation of such Loan Party, enforceable against such Loan Party in accordance with its respective terms, except as enforcement may be limited by equitable principles or by bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or limiting creditors' rights generally.

5.2 Formation and Qualification.

(a) Each Loan Party is duly formed or incorporated and in good standing under the laws of its respective state or other jurisdiction of organization or incorporation listed on Schedule 5.2(a) (as such schedule may from time to time be updated in accordance with Section 7.18) and each Loan Party is qualified to do business and is in good standing in the states and other jurisdictions listed with respect to that Loan Party on Schedule 5.2(a) (as such schedule may from time to time be updated in accordance with Section 7.18), which constitute all states and other jurisdictions in which qualification and good standing are necessary for such Loan Party to conduct its business and own its property and where the failure to so qualify could reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect. The state organizational number of each Loan Party is set forth on Schedule 5.2(a) (as such schedule may from time to time be updated in accordance with Section 7.18). Each Loan Party has delivered to Agent true and complete copies of its certificate of formation, limited liability company agreement, certificate of incorporation, by-laws, partnership agreement or other applicable documents relating to such Loan Party's formation and governance, as the case may be, and will promptly notify Agent of any amendment or changes thereto.

(b) All of the Subsidiaries of each Loan Party are listed on Schedule 5.2(b) (as such schedule may from time to time be updated in accordance with Section 7.12(a)).

5.3 Survival of Representations and Warranties.

All representations and warranties of such Loan Party contained in this Agreement and the Other Documents shall be true at the time of such Loan Party's execution of this Agreement and the Other Documents, and shall survive the execution, delivery and acceptance thereof by the parties thereto and the closing of the transactions described therein or related thereto.

5.4 Tax Returns.

Each Loan Party's federal tax identification number is set forth on Schedule 5.4. Except as otherwise expressly permitted by this Agreement, each Loan Party and each of its Subsidiaries has (a) filed all federal, state, local and other tax returns, reports and statements, including information returns, it is required by law to file and (b) paid all Taxes that are due and payable with respect thereto or otherwise owing. No federal, state, local or other income tax return of any Loan Party or Subsidiary that has been filed is known by any Loan Party to be under examination as of the Closing Date. All income tax returns have been timely filed as of the Closing Date. The provisions for Taxes on the books of each Loan Party and each of its Subsidiaries are adequate in all material respects for all years not closed by applicable statutes, and for its current fiscal year, and no Loan Party nor any of its Subsidiaries has any knowledge of any material deficiency or additional assessment in connection therewith not provided for on its books.

5.5 Financial Statements.

(a) The pro forma balance sheet of Loan Parties and their Subsidiaries on a consolidated basis (the "Pro Forma Balance Sheet") furnished to Agent on the Closing Date reflects the consummation of the transactions contemplated under this Agreement and is accurate, complete and correct in all material respects and fairly reflects the financial condition of Loan Parties and their Subsidiaries on a consolidated basis as of the Closing Date after giving effect to the transactions under this Agreement, and has been prepared in accordance with GAAP, consistently applied.

(b) The twelve (12) month cash flow projections of Loan Parties and their Subsidiaries on a consolidated basis and their projected balance sheets as of the Closing Date, copies of which (along with the Pro Forma Balance Sheet) are annexed hereto as Exhibit 5.5, were prepared by a Responsible Officer of Administrative Loan Party and are based on underlying assumptions which Loan Parties believe provide a reasonable basis for the projections contained therein in light of conditions and facts known to Loan Parties at the time such projections were made and reflect Loan Parties' good faith judgment.

(c) The consolidated balance sheets of Loan Parties, their Subsidiaries and such other Persons described therein as of April 30, 2019 and April 30, 2020 and the related statements of income, changes in stockholders' equity, and changes in cash flow for the period ended on such date, all accompanied by reports thereon containing opinions without qualification by independent certified public accountants, copies of which have been delivered to Agent, have been prepared in

accordance with GAAP consistently applied (except for changes in application in which such accountants concur and present fairly the financial position of Loan Parties and their Subsidiaries at such date and the results of their operations and changes in stockholders' equity and cash flow for such period) and fairly reflects the financial condition of Loan Parties, their Subsidiaries and such other Persons on a consolidated and consolidating basis as of the date thereof.

(d) The consolidated balance sheets of Loan Parties, their Subsidiaries and such other Persons described therein as of April 30, 2020 and the related statements of income, changes in stockholders' equity, and changes in cash flow for the period ended on such date, copies of which have been delivered to Agent, have been prepared in accordance with GAAP, consistently applied and such balance sheet presents fairly the financial condition of Loan Parties, their Subsidiaries and such other Persons on a consolidated and consolidating basis as of such date, subject to normal year-end audit adjustments and absence of footnotes, the statement of cash flows and the statement of changes in shareholders' equity.

(e) Since April 30, 2020, there has been no change in the condition, financial or otherwise, of any Borrower (individually), or Loan Parties and their Subsidiaries taken as a whole, except changes which could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

5.6 Corporate Name.

The exact legal name of each Loan Party is set forth in the first paragraph to this Agreement (or, if such Loan Party is not listed in such first paragraph, such exact legal name is set forth on Schedule 5.6 (as such schedule may from time to time be updated in accordance with Section 7.18)). No Loan Party has been known by any other corporate, limited liability company or partnership name in the past five (5) years and no Loan Party sells Inventory or has submitted tax returns under any other name except as set forth on Schedule 5.6 (as such schedule may from time to time be updated in accordance with Section 7.18), nor has any Loan Party been the surviving corporation of a merger or consolidation or acquired all or substantially all of the assets of any Person or has acquired any assets of any Person outside the ordinary course of business during the preceding five (5) years except as set forth on Schedule 5.6 (as such schedule may from time to time be updated in accordance with Section 7.18).

5.7 O.S.H.A. and Environmental Compliance.

(a) Each Loan Party and each of their Subsidiaries has duly complied, and each of their facilities, businesses, assets, properties and leaseholds are in compliance, in all material respects with the provisions of the Federal Occupational Safety and Health Act, RCRA and all other Environmental Laws; there have been no outstanding citations, notices or orders of non-compliance issued to any Loan Party or any of their Subsidiaries or relating to its business, assets, property or leaseholds under any such laws, rules or regulations, except as could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

(b) Each Loan Party and each of their Subsidiaries has been issued all required federal, state and local licenses, certificates or permits relating to all applicable Environmental Laws, except as could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

(c) (i) There are no visible signs of releases, spills, discharges, leaks or disposal (each, a "Release") of Hazardous Substances at, upon, under or within any Real Property or any premises leased by any Loan Party or any of their Subsidiaries; (ii) there are no underground storage tanks or polychlorinated biphenyls on the Real Property or any premises leased by any Loan Party or any of their Subsidiaries; (iii) neither the Real Property nor any premises leased by any Loan Party or any of their Subsidiaries has ever been used as a treatment, storage or disposal facility of Hazardous Waste; and (iv) no Hazardous Substances are present on the Real Property or any premises leased by any Loan Party or any of their Subsidiaries, excepting such quantities as are handled in accordance with all applicable manufacturer's instructions and governmental regulations and in proper storage containers and as are necessary for the operation of the commercial business of any Loan Party or any of their Subsidiaries or of their respective tenants, in each case except as could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

5.8 Solvency; No Litigation, Violation of Law; No ERISA Issues.

(a) After giving effect to the transactions contemplated by this Agreement, and as of the making of each Advance and issuance of each Letter of Credit, the Loan Parties and their Subsidiaries taken as a whole are Solvent.

(b) No Loan Party nor any of their Subsidiaries has (i) except as disclosed in Schedule 5.8(b)(i), any pending (or, to the knowledge of any Loan Party, threatened in writing) litigation, arbitration, actions or proceedings which involve the possibility of negatively affecting the rights or remedies of Agent or any Secured Party hereunder or under any of the Other Documents, or of having a Material Adverse Effect, (ii) except as disclosed in Schedule 5.8(b)(i), as of the Closing Date, any pending (or, to the knowledge of any Loan Party, threatened in writing) litigation, arbitration, actions or proceedings which involve the possibility of having liability in excess of $1,000,000, (iii) except as disclosed in Schedule 5.8(b)(i) (as such schedule may from time to time be updated by Administrative Loan Party providing written notice to Agent of any new commercial tort claims reasonably estimated to exceed $500,000), any commercial tort claims, and (iv) except as disclosed in Schedule 5.8(b)(i), as of the Closing Date, any Money Borrowed other than the Obligations.

(c) No Loan Party nor any of their Subsidiaries is in violation of any applicable statute, regulation or ordinance in any respect which could reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect, nor is any Loan Party or any of their Subsidiaries in violation of any order of any court or Governmental Body which could reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

(d) Except with respect to Multiemployer Plans, each plan that is intended to qualify under Section 401 of the Code has been determined by the IRS to qualify under Section 401 of the Code, the trusts created thereunder have been determined to be exempt from tax under the provisions of Section 501 of the Code, and nothing has occurred that would cause the loss of

such qualification or tax exempt status. Each Plan is in compliance with the applicable provisions of ERISA and the Code, except to the extent that the failure to comply, individually or in the aggregate, could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect. Neither any Loan Party nor ERISA Affiliate has failed to make any material contribution or pay any material amount due as required by either Section 412 of the Code or Section 302 of ERISA or the terms of any such Plan. Neither any Loan Party nor ERISA Affiliate has engaged in a "prohibited transaction," as defined in Section 406 of ERISA and Section 4975 of the Code, in connection with any Plan, that would subject any Loan Party to a material tax on prohibited transactions imposed by Section 502(i) of ERISA or Section 4975 of the Code. Except as set forth in Schedule 5.8(d)(i): (i) no Title IV Plan has any Unfunded Pension Liability; (ii) no ERISA Event with respect to any Title IV Plan has occurred or is reasonably expected to occur; (iii) there are no pending, or to the knowledge of any Loan Party, threatened claims (other than claims for benefits in the normal course), sanctions, actions or lawsuits, asserted or instituted against any Title IV Plan or any Person as fiduciary or sponsor of any Title IV Plan; (iv) no Loan Party or ERISA Affiliate has incurred or reasonably expects to incur any liability as a result of a complete or partial withdrawal from a Multiemployer Plan; (v) within the last five (5) years no Title IV Plan of any Loan Party or ERISA Affiliate has been terminated, whether or not in a "standard termination" as that term is used in Section 4041(b)(1) of ERISA, nor has any Title IV Plan of any Loan Party or any ERISA Affiliate (determined at any time within the last five (5) years) with Unfunded Pension Liabilities been transferred outside of the "controlled group" (within the meaning of Section 4001(a)(14) of ERISA) of any Loan Party or ERISA Affiliate (determined at such time); (vi) except in the case of any ESOP, Equity Interests of all Loan Parties and their ERISA Affiliates makes up, in the aggregate, no more than ten (10%) percent of fair market value of the assets of any Title IV Plan measured on the basis of fair market value as of the latest valuation date of any Title IV Plan; and (vii) no liability under any Title IV Plan has been satisfied with the purchase of a contract from an insurance company that is not rated AAA by the Standard & Poor's Corporation or an equivalent rating by another nationally recognized rating agency.

5.9 Patents, Trademarks, Copyrights and Licenses.

All patents, patent applications, trademarks, trademark applications, service marks, service mark applications, copyrights, copyright applications, design rights, trade names, assumed names, trade secrets and licenses owned or utilized by any Loan Party or any of their Subsidiaries are set forth on Schedule 5.9 (as such schedule may from time to time be updated by Administrative Loan Party providing written notice to Agent of any newly acquired Intellectual Property rights, so long as Loan Parties have taken (or caused to be taken) all steps required by Agent to perfect Agent's Lien therein), are valid and have been duly registered or filed with all appropriate Governmental Body and constitute all of the Intellectual Property rights which are necessary for the operation of its business; there is no objection to or pending challenge to the validity of any such material patent, trademark, copyright, design right, trade name, trade secret or license and no Loan Party nor any Subsidiary of any Loan Party is aware of any grounds for any challenge. Each patent, patent application, patent license, trademark, trademark application, trademark license, service mark, service mark application, service mark license, copyright, copyright application and copyright license owned or held by any Loan Party or any such Subsidiary and all trade secrets used by any Loan Party or any such Subsidiary consist of original material or property developed

by such Loan Party or such Subsidiary or was lawfully acquired by such Loan Party or such Subsidiary from the proper and lawful owner thereof. Each of such items has been maintained so as to preserve the value thereof from the date of creation or acquisition thereof. With respect to all software used by any Loan Party, such Loan Party is in possession of all source and object codes related to each piece of software or is the beneficiary of a source code escrow agreement, each such source code escrow agreement being listed on Schedule 5.9 (as such schedule may from time to time be updated by Administrative Loan Party providing written notice to Agent of any newly acquired Intellectual Property rights, so long as Loan Parties have taken (or caused to be taken) all steps required by Agent with respect thereto).

5.10 Licenses and Permits.

Each Loan Party and each Subsidiary of each Loan Party (a) is in compliance with and (b) has procured and is now in possession of, all material licenses or permits required by any applicable federal, state, local or other law or regulation for the operation of its business in each jurisdiction wherein it is now conducting or proposes to conduct business and where the failure to procure such licenses or permits could reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

5.11 No Contractual Default.

No Loan Party is in default in the payment or performance of any of its contractual obligations (a) hereunder or under any of the Other Documents, or (b) in any case with respect to which a default thereunder could be reasonably expected to have, either individually or in the aggregate, a Material Adverse Effect.

5.12 No Burdensome Restrictions/No Liens.

No Loan Party nor any Subsidiary of any Loan Party is party to any contract or agreement the performance of which could reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect. No Loan Party nor any Subsidiary of any Loan Party has agreed or consented to cause or permit in the future (upon the happening of a contingency or otherwise) any of its property, whether now owned or hereafter acquired, to be subject to a Lien which is not a Permitted Encumbrance.

5.13 No Labor Disputes, Etc.

No Loan Party nor any Subsidiary of any Loan Party is involved in any labor dispute; there are no strikes or walkouts or union organization of any Loan Party's or any of such Subsidiary's employees in existence or threatened in writing and no labor contract is scheduled to expire during the Term other than as set forth on Schedule 5.13 (as such schedule may from time to time be updated by Administrative Loan Party providing written notice to Agent of any newly arising item, so long as (i) Loan Parties have taken (or caused to be taken) all steps reasonably required by Agent with respect thereto and (ii) such items could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect). None of any Loan Party or its Subsidiaries has incurred any liability or obligation under the Worker Adjustment and Retraining Notification Act or similar state law, which remains unpaid or unsatisfied. The hours worked and

payments made to employees of each Loan Party and its Subsidiaries have not been in violation of the Fair Labor Standards Act or any other applicable legal requirements, except to the extent such violations could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect. All material payments due from any Loan Party or its Subsidiaries on account of wages and employee health and welfare insurance and other benefits have been paid or accrued as a liability on the books of the applicable Loan Party, except where the failure to do so could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

5.14 Margin Regulations.

No Loan Party nor any Subsidiary of any Loan Party is engaged, nor will it engage, principally or as one of its important activities, in the business of extending credit for the purpose of "purchasing" or "carrying" any "margin stock" within the meaning of the quoted term under Regulation U of the Board of Governors of the Federal Reserve System as now and from time to time hereafter in effect. No part of the proceeds of any Advance will be used for "purchasing" or "carrying" "margin stock" as defined in Regulation U of such Board of Governors.

5.15 Investment Company Act.

No Loan Party nor any Subsidiary of any Loan Party is an "investment company" registered or required to be registered under the Investment Company Act of 1940, as amended, nor is it controlled by such a company.

5.16 Disclosure.

No representation or warranty made by or on behalf of any Loan Party or any Subsidiary of any Loan Party in this Agreement, any Other Document or in any financial statement, report, certificate or any other document furnished in connection herewith and no information at any time furnished by or on behalf of any Loan Party or any Subsidiary of any Loan Party to Agent or any Lender pursuant hereto or in connection herewith contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements herein or therein not misleading in light of the circumstances under which they were made.

5.17 Real Property.

Each Loan Party and each of its Subsidiaries owns record title in fee simple or the leasehold interest to the Real Property described on Schedule R-1 (as such Schedule may from time to time be updated by written notice from Administrative Loan Party to Agent, so long as Loan Parties have taken (or caused to be taken) all steps reasonably required by Agent with respect thereto), free and clear of all Liens, except Permitted Encumbrances. The Real Property described on Schedule R-1 (as such Schedule may from time to time be updated by written notice from Administrative Loan Party to Agent, so long as Loan Parties have taken (or caused to be taken) all steps reasonably required by Agent with respect thereto) constitutes all of the Real Property of Loan Parties.

5.18 Hedging Agreements.

No Loan Party nor any Subsidiary of any Loan Party is a party to any Hedging Agreement as of the Closing Date except as set forth on Schedule 5.18.

5.19 Conflicting Agreements.

No provision of any mortgage, indenture, contract, agreement, judgment, decree or order binding on any Loan Party or affecting the Collateral conflicts with, or requires any Consent which has not already been obtained, or would in any way prevent the execution, delivery or performance of the terms of this Agreement or the Other Documents.

5.20 Business and Property of Loan Parties.

Upon and after the Closing Date, Loan Parties and their Subsidiaries do not propose to engage in any business other than as currently conducted and related activities necessary to conduct the foregoing, including the manufacture, sale or distribution of any Firearms or Ammunition. Each Loan Party and each Subsidiary of a Loan Party owns or leases all the property and possesses all of the rights and consents necessary for the conduct of the business of such Loan Party and such Subsidiary except as could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

5.21 Material Contracts.

Except for the agreements set forth on Schedule 5.21 (collectively the "Material Contracts", as such schedule may from time to time be updated by Administrative Loan Party providing written notice to Agent of any new contracts, so long as Loan Parties have taken (or caused to be taken) all steps required by Agent with respect thereto), as of the Closing Date there are no (a) employment agreements covering the management of any Loan Party or any Subsidiary, (b) collective bargaining agreements or other labor agreements covering any employees of any Loan Party or any Subsidiary, (c) agreements for managerial, consulting or similar services to which any Loan Party or any Subsidiary is a party or by which it is bound, the breach, nonperformance or cancellation of which, would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect, (d) agreements regarding any Loan Party or any Subsidiary, its assets or operations or any investment therein to which any of its equity holders is a party, (e) patent licenses, trademark licenses, copyright licenses or other lease or license agreements to which any Loan Party or any Subsidiary is a party, either as lessor or lessee, or as licensor or licensee, (f) distribution, marketing or supply agreements to which any Loan Party or any Subsidiary is a party, the breach, nonperformance or cancellation of which, would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect, (g) customer agreements to which any Loan Party or any Subsidiary is a party, the breach, nonperformance or cancellation of which, would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect, (h) real estate leases to which any Loan Party or any Subsidiary is a party (in each case with respect to any agreement of the type described in the preceding clauses (a), (b), (c), (d), (e), (f), (g) and (h) requiring payment of more than $2,000,000 in the aggregate in any year), (i) partnership agreements to which any Loan Party or

any Subsidiary is a partner, limited liability company agreements to which any Loan Party or any Subsidiary is a member or manager, or joint venture agreements to which any Loan Party or any Subsidiary is a party, or (j) any other agreements or instruments to which any Loan Party or any Loan Party is a party the breach, nonperformance or cancellation of which, would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect. The consummation of the transactions contemplated by this Agreement and the Other Documents will not give rise to a right of termination in favor of any party to any Material Contract which would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect. Each Material Contract is in full force and effect and no defaults enforceable against any Loan Party or any Subsidiary exist thereunder, except as could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect. No Loan Party nor any Subsidiary of any Loan Party has received notice from any party to any Material Contract stating that it intends to terminate or amend such contract, except to the extent such termination could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

5.22 Capital Structure.

Schedule 5.22 sets forth the authorized Equity Interests, and owner thereof, of each of Loan Parties and each of their Subsidiaries as of the Closing Date. All of the Equity Interests of each of Loan Parties (other than Parent) and each of their Subsidiaries are owned directly or indirectly by one of Borrowers. All issued and outstanding Equity Interests of each of Loan Parties and each of their Subsidiaries are duly authorized and validly issued, fully paid and non-assessable, and such Equity Interests were issued in compliance with all applicable laws. All issued and outstanding Equity Interests of each Loan Party (other than Parent) and each of their Subsidiaries is free and clear of all Liens other than Permitted Encumbrances and the Lien in favor of Agent for the benefit of Agent and Lenders. The identity of the holders of the Equity Interests of each of Loan Parties and each of their Subsidiaries and the percentage of their fully diluted ownership of the Equity Interests of each of Loan Parties and each of their Subsidiaries as of the Closing Date is set forth on Schedule 5.22. No shares of the Equity Interests of any Loan Party or any of their Subsidiaries, other than those described above, are issued and outstanding as of the Closing Date. As of the Closing Date there are no preemptive or other outstanding rights, options, warrants, conversion rights or similar agreements or understandings for the purchase or acquisition from any Loan Party or any of their Subsidiaries of any Equity Interests of any such entity.

5.23 Bank Accounts, Security Accounts, Etc.

No Loan Party has any bank accounts, deposit accounts, investments accounts, securities accounts or any other similar accounts other than the accounts set forth Schedule 5.23 (as such Schedule may from time to time be updated by Administrative Loan Party delivering a written update thereto to Agent, so long as such updates are approved by Agent and Loan Parties take all action required by Section 4.14(h) with respect thereto). The purpose and type of each such account is specified on Schedule 5.23. Schedule 5.23 also sets forth a list describing all arrangements as of the Closing Date to which any Loan Party is a party with respect to the processing and/or payment to such Loan Party of the proceeds of any credit card charges and debit card charges for sales made by such Loan Party. No Loan Party shall open new DDAs or Blocked Accounts unless the Loan Parties shall have delivered to the Agent appropriate DDA Notifications

(to the extent requested by Agent pursuant to the terms hereof) or Blocked Account Agreements consistent with the provisions of this Agreement and otherwise satisfactory to the Agent. No Loan Party shall maintain any bank accounts or enter into any agreements with Credit Card Issuers or Credit Card Processors other than the ones expressly contemplated herein or in Section 4.14(h) hereof.

5.24 [Reserved].

5.25 Security Documents; Liens.

(a) Each of the Pledge Agreements creates in favor of Agent, for the benefit of the Secured Parties referred to therein, a legal, valid, continuing and enforceable security interest in the Collateral (as defined in such Pledge Agreement), the enforceability of which is subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law, and the Pledged Securities (as defined in each Pledge Agreement) that are certificated and have been delivered to Agent (together with stock powers or other appropriate instruments of transfer executed in blank form). The Agent has a fully perfected first priority Lien on, and security interest in, to and under all right, title and interest of each pledgor thereunder in such Collateral, and such security interest is in each case prior and superior in right and interest to any other Person.

(b) This Agreement and the Other Documents create in favor of Agent, for the benefit of the Secured Parties referred to therein, a legal, valid, continuing and enforceable security interest in the Collateral, the enforceability of which is subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law. The financing statements, releases and other filings are in appropriate form and have been or will be filed in the offices specified in Schedule 5.25. Upon such filings and/or the obtaining of "control," (as defined in the UCC) Agent will have a perfected Lien on, and security interest in, to and under all right, title and interest of the grantors thereunder in all Collateral that may be perfected by filing, recording or registering a financing statement or analogous document (including without limitation the proceeds of such Collateral subject to the limitations relating to such proceeds in the UCC) or by obtaining control, under the UCC (in effect on the date this representation is made) in each case prior and superior in right to any other Person.

(c) When this Agreement (or a short form hereof) is filed in the United States Patent and Trademark Office and the United States Copyright Office and when financing statements, releases and other filings in appropriate form are filed in the offices specified in Schedule 5.25, Agent shall have a fully perfected Lien on, and security interest in, all right, title and interest of the applicable Loan Parties in the Intellectual Property in which a security interest may be perfected by filing, recording or registering a security agreement, financing statement or analogous document in the United States Patent and Trademark Office or the United States Copyright Office, as applicable, in each case prior and superior in right to any other Person (it being understood that subsequent recordings in the United States Patent and Trademark Office and the United States Copyright Office may be necessary to perfect a Lien on registered trademarks, trademark applications and copyrights acquired by Loan Parties after the Closing Date).

(d) The Mortgages create in favor of Agent, for the benefit of the Secured Parties, a legal, valid, continuing and enforceable Lien in the Mortgaged Real Property (as defined in the Mortgages), the enforceability of which is subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law. Upon the filing or recording of the Mortgages with the appropriate Governmental Body, Agent will have a perfected Lien on, and security interest in, to and under all right, title and interest of the grantors thereunder in all Mortgaged Real Property that may be perfected by such filing (including without limitation the proceeds of such Mortgaged Real Property), in each case prior and superior in right to any other Person.

5.26 Brokers. No broker or finder brought about the obtaining, making or closing of the Loans or transactions contemplated by this Agreement or any of the Other Documents, and no Loan Party or Affiliate thereof has any obligation to any Person in respect of any finder's or brokerage fees in connection therewith.

5.27 Customer and Trade Relations. There exists no actual or, to the knowledge of any Loan Party, threatened, termination or cancellation of, or any material adverse modification or change in the business relationship of any Loan Party with any supplier material to its operations.

5.28 Patriot Act.

To the extent applicable, each Loan Party is in compliance, in all material respects, with the (a) Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) and any other enabling legislation or executive order relating thereto, and (b) Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA Patriot Act of 2001, as amended) (the "Patriot Act").

5.29 OFAC; Sanctions; Anti-Corruption Laws; Anti-Money Laundering Laws.

No Loan Party or any of its Subsidiaries is in violation of any Sanctions. No Loan Party nor any of its Subsidiaries nor, to the knowledge of such Loan Party, any director, officer, employee, agent or Affiliate of such Loan Party or such Subsidiary (a) is a Sanctioned Person or a Sanctioned Entity, (b) has any assets located in Sanctioned Entities, or (c) derives revenues from investments in, or transactions with Sanctioned Persons or Sanctioned Entities. Each of Loan Parties and its Subsidiaries has implemented and maintains in effect policies and procedures designed to ensure compliance with all Sanctions, Anti-Corruption Laws and Anti-Money Laundering Laws. Each of Loan Parties and its Subsidiaries, and to the knowledge of each such Loan Party, each director, officer, employee, agent and Affiliate of each such Loan Party and each such Subsidiary, is in compliance with all Sanctions, Anti-Corruption Laws and Anti-Money Laundering Laws. No proceeds of any Loan made or Letter of Credit issued hereunder will be

used to fund any operations in, finance any investments or activities in, or make any payments to, a Sanctioned Person or a Sanctioned Entity, or otherwise used in any manner that would result in a violation of any Sanction, Anti-Corruption Law or Anti-Money Laundering Law by any Person (including any Lender, Bank Product Provider, or other individual or entity participating in any transaction)..

5.30 Swap Obligations.

On each date that any Swap Obligation is incurred, each Loan Party satisfies all eligibility, suitability and other requirements under the Commodity Exchange Act and the Commodity Futures Trading Commission regulations.

6. AFFIRMATIVE COVENANTS.

Each Loan Party shall at all times until all of the Obligations have been Paid in Full:

6.1 Payment of Fees.

Promptly following demand, pay to Agent all usual and customary fees and expenses which Agent incurs in connection with (a) the forwarding of Advance proceeds and (b) the establishment and maintenance of any Blocked Accounts or Depository Accounts as provided for in Section 4.14(h). Agent may, without making demand, charge Borrowers' Account for all such fees and expenses.

6.2 Conduct of Business; Compliance with Laws and Maintenance of Existence and Assets.

Conduct, and cause each Subsidiary of each Loan Party to conduct, continuously and operate actively its business according to business practices and maintain, and cause each Subsidiary of each Loan Party to maintain, all of its properties useful or necessary in its business in good working order and condition in all material respects (reasonable wear and tear excepted and except as may be Disposed of in accordance with the terms of this Agreement (including, without limitation, Section 7.1)), including, without limitation, all Intellectual Property and take all actions necessary to enforce and protect the validity of its Intellectual Property. Without in any way limiting the foregoing, under no circumstances shall any Loan Party or any Subsidiary of any Loan Party engage in the sale, manufacture or distribution of Firearms or Ammunition. Each Loan Party shall, and shall cause each Subsidiary of each Loan Party to, (a) keep in full force and effect its existence and its material rights and franchises, except as expressly permitted by this Agreement (including pursuant to Section 7.1), (b) comply in all material respects with the laws and regulations governing the conduct of its business where the failure to do so could reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect, and (c) except as expressly permitted hereunder, make all such reports and pay all such franchise and other taxes and license fees and do all such other acts and things as may be lawfully required to maintain its rights, licenses, leases, powers and franchises under the laws of the United States or any of its political subdivisions or, based on commercially reasonable efforts, to do so in any applicable foreign jurisdiction or any political subdivision of any of such foreign jurisdictions.

6.3 Violations.

Promptly after becoming aware of the same, notify Agent in writing of any violation of any law, statute, regulation or ordinance of any Governmental Body, or of any agency thereof, applicable to any Loan Party or any of their Subsidiaries which could reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

6.4 Government Receivables.

If any Borrower reports as being an Eligible Account or requests be treated as an Eligible Account any Accounts owing by the United States, any state or any department, agency or instrumentality of any of them (collectively, "Government Receivables"), or upon Agent's request at any time following the occurrence and during the continuance of a Default or Event of Default with respect to any other Governmental Receivables, take all steps necessary to protect Agent's interest in the such Government Receivables under the Federal Assignment of Claims Act or other applicable state or local statutes or ordinances and deliver to Agent appropriately endorsed, any instrument or chattel paper connected with any Government Receivables.

6.5 Execution of Supplemental Instruments; Further Assurances.

Promptly upon request by Agent, each Loan Party shall take such additional actions (including, without limitation, execution and delivery of such supplemental agreements or instruments, statements, assignments and transfers, or instructions or documents relating to the Collateral) as Agent may require in its Permitted Discretion from time to time in order (a) to carry out more effectively the purposes of this Agreement or any Other Document, (b) to subject all of the existing or hereinafter acquired personal and real property (other than Excluded Assets) of each Loan Party to first-priority perfected Liens (subject only to Permitted Encumbrances having priority by operation of law) in favor of Agent to secure the Obligations, (c) to perfect and maintain the validity, effectiveness and priority of any of the Liens created, or intended to be created thereby, by this Agreement or any Other Document to the extent required herein or therein, and (d) to better assure, convey, grant, assign, transfer, preserve, protect and confirm to Agent and Lenders the rights granted or now or hereafter intended to be granted to Agent and Lenders under this Agreement or any Other Document. Without limiting the generality of the foregoing, each Loan Party shall (and shall cause each other Loan Party to) guarantee (to the extent not already directly obligated with respect thereto) all of the Obligations and to grant to Agent, for the benefit of Agent, Lenders, Bank Product Provider and Issuer, a Lien in all of such Loan Party's existing or hereinafter acquired personal and real property (other than Excluded Assets) to secure all of the Obligations; provided, that, no such guarantee or grant shall be required by a Non-US Subsidiary that is a CFC to the extent such guarantee or grant would result in material adverse tax consequences to Loan Parties under Treas. Reg. Section 1.956-2.

6.6 Payment of Indebtedness.

Each Loan Party shall, and shall cause each Subsidiary of each Loan Party to, subject at all times to any applicable subordination or intercreditor arrangement in favor of Agent and/or Lenders, pay, discharge or otherwise satisfy at or before maturity (subject, where applicable, to specified grace periods and, in the case of the trade payables, to normal payment practices) all its Indebtedness of whatever nature, except when the failure to do so could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect or when the amount or validity thereof is currently being contested in good faith by appropriate proceedings and each Loan Party and each of their Subsidiaries shall have provided for such reserves as Agent may reasonably deem proper and necessary.

6.7 Standards of Financial Statements.

Each Loan Party shall, and shall cause each Subsidiary of each Loan Party to, cause all financial statements referred to in Sections 9.7, 9.8, 9.9 and 9.12 as to which GAAP is applicable to be true and correct in all material respects (subject, in the case of interim financial statements, to normal year-end audit adjustments and absence of footnotes), the statement of cash flows and the statement of changes in shareholders' equity) and to be prepared in reasonable detail, but only if such statement is to be prepared in accordance with GAAP consistently applied, and in accordance with GAAP consistently applied throughout the periods reflected therein (except as concurred in by such reporting accountants or officer, as the case may be, and disclosed therein).

6.8 Financial Covenants.

(a) Fixed Charge Coverage. If a Covenant Trigger Period is in effect, the not permit the Fixed Charge Coverage Ratio, as of the last day of (i) the Test Period ending immediately preceding the commencement of the Covenant Trigger Period, and (ii) each fiscal quarter ending during such Covenant Trigger Period, in each case, for which financial statements are required to be delivered (or are actually delivered, if earlier) prior to such date and for the four consecutive fiscal quarter period ending on such date, to be less than 1.00 to 1.00.

6.9 Factoring Arrangements. Borrowers acknowledge, confirm, covenant and agree that (a) they will promptly (but in any event within five (5) Business Days after execution thereof) deliver to Agent copies of all Receivable Financing Documents entered into by any Loan Party, (b) no account receivables sold pursuant to any Receivable Financing Documents shall constitute Eligible Accounts, and (c) all amounts payable to Borrowers by a Receivable Purchaser under any Receivable Financing Documents shall constitute Collateral under this Agreement and shall be remitted by such Receivable Purchaser to an account specified in writing by Agent.

6.10 Post-Closing Obligations. Borrowers acknowledge, confirm, covenant and agree that the obligation of Lenders to continue to make Advances, or otherwise extend credit, under this Agreement is subject to the fulfillment, on or before the applicable date, of the conditions subsequent set forth on Schedule 6.10. The failure of any Loan Party to satisfy such conditions subsequent on or before the applicable date will constitute an Event of Default.

7. NEGATIVE COVENANTS.

No Loan Party shall, nor shall any Loan Party permit any of its Subsidiaries to, at any time prior to the Payment in Full of all of the Obligations:

7.1 Merger, Consolidation, Acquisition and Sale of Assets.

(a) Consummate any merger, consolidation or other reorganization with or into any other Person or acquire all or a substantial portion of the assets or Equity Interests of any Person or permit any other Person to consolidate with or merge with it; except, that, (i) a Loan Party may merge or consolidate into another Loan Party so long as (A) no Event of Default shall have occurred and be continuing, (B) Administrative Loan Party shall give Agent at least ten (10) Business Days prior notice thereof, (C) if a Borrower is a party to such merger or consolidation a Borrower shall be the surviving entity; provided, that, any assets of the Person so acquired from any Person that was not a Borrower prior thereto shall only be eligible for inclusion into the Borrowing Base to the extent that Agent has completed an appraisal, collateral audit and/or field examination (as the case may be) with respect thereto and the criteria for eligibility set forth herein (or such other or additional criteria as Agent may, at its option, establish with respect thereto in accordance with this Agreement and subject to such Reserves as Agent may establish in connection with the assets of the Person so acquired) are satisfied with respect thereto in a manner acceptable to Agent, (D) no Loan Party shall merge or consolidate with a Loan Party that exists under the laws of a country different than the country in which such Loan Party exists and (E) prior to such merger or consolidation Loan Parties have taken (or caused to be taken) all steps required by Agent with respect thereto (including without limitation all steps required by Agent to maintain Agent's Lien on the Collateral granted by such Loan Parties, as well as the priority and effectiveness of such Lien); (ii) a Subsidiary of Borrowers that is not a Loan Party may merge or consolidate into another Subsidiary of Borrowers that is not a Loan Party so long as (A) no Event of Default shall have occurred and be continuing, (B) Administrative Loan Party shall give Agent at least ten (10) Business Days prior notice thereof, and (C) prior to such merger or consolidation Loan Parties have taken (or caused to be taken) all steps required by Agent with respect thereto, and (iii) a Loan Party may consummate a Permitted Acquisition.

(b) Acquire all or a substantial portion of the assets or Equity Interests of any Person except for investments permitted by Section 7.4.

(c) Directly or indirectly, sell, assign, lease, transfer, abandon or otherwise dispose of any of its assets or properties (including, without limitation, the Collateral) to any other Person (each, a "Disposition"), except for:

(i) the sale of Inventory in the ordinary course of business,

(ii) provided no Default or Event of Default shall have occurred and be continuing or result therefrom, the Disposition of assets (other than equity interests of any of its Subsidiaries) having a fair market value not to exceed $2,500,000 in the aggregate in any fiscal year so long as at least seventy-five (75%) percent of the consideration payable on account thereof shall consist of cash and/or Cash Equivalents;

(iii) the sale, lease, transfer or other Disposition of property by a Loan Party or a Subsidiary of a Loan Party to any other Loan Party or Subsidiary of a Loan Party; provided, that, (A) if a Borrower or any of its assets is subject to a Disposition, all parties to such Disposition must be Borrowers, (B) if a Loan Party or any of its assets is subject to a Disposition,

all parties to such Disposition must be Loan Parties, (C) if a US Loan Party or any of its assets is subject to a Disposition, all parties to such Disposition must be US Loan Parties, (D) no such sale, lease, transfer or other Disposition shall be made to Parent, (E) to the extent such transaction constitutes an investment, such transaction must be permitted under Section 7.4 and (F) any Lien in favor of Agent on such property shall continue in all respects and shall not be deemed released or terminated as a result of such sale, lease, transfer or other Disposition and Loan Parties shall execute and deliver such agreements, documents and instruments as Agent may reasonably request with respect thereto;

(iv) the sale, lease, transfer or Disposition of used, worn-out or obsolete machinery and equipment and machinery and equipment no longer used or useful in the conduct of business of Loan Parties or any of their Subsidiaries having a fair market value not to exceed $1,000,000 in the aggregate in any fiscal year;

(v) the grant in the ordinary course of business by any Loan Party or any of their Subsidiaries after the date hereof of a non-exclusive license of any Intellectual Property; provided, that, the rights of the licensee shall be subject to the rights of Agent, and shall not adversely affect, limit or restrict the rights of Agent to use such Intellectual Property or to sell or otherwise dispose of any Inventory or other Collateral in connection with the exercise by Agent of any rights or remedies hereunder or under any of the Other Documents, or otherwise adversely limit or interfere in any material respect with the use of any such Intellectual Property by Agent in connection with the exercise of its rights or remedies hereunder or under any of the Other Documents or by any Loan Party or Subsidiary;

(vi) the issuance of Equity Interests by Loan Parties; provided, that, (A) no Loan Party or Subsidiary shall be required to pay any cash dividends, distributions or repurchase or redeem such Equity Interests or make any other payments in respect thereof, except as otherwise expressly permitted in Section 7.7 and (B) none of Borrowers or their Subsidiaries shall issue any Equity Interests other than to their then current holder(s) of their Equity Interests (all of which holders must be a Loan Party or Subsidiary);

(vii) the issuance of Equity Interests by Parent consisting of common stock (or its equivalent) pursuant to an employee stock option plan or grant or similar equity plan or 401(k) plan of Loan Parties and their Subsidiaries for the benefit of their employees, directors and officers;

(viii) the abandonment or other disposition of Intellectual Property that is not material and is no longer used or useful in any material respect in the business of any Loan Party or any of its Subsidiaries and does not appear on or is otherwise not affixed to or incorporated in any Inventory or Equipment or have any material value;

(ix) involuntary Dispositions occurring by reason of casualty or condemnation;

(x) the leasing, occupancy agreements or sub-leasing of Real Property or Equipment in the ordinary course of business consistent with past practices that would not materially interfere with the required use of such Real Property or Equipment by any Loan Party or any of its Subsidiaries;

(xi) transfers of condemned real property as a result of the exercise of "eminent domain" or other similar policies to the respective governmental authority or agency that has condemned the same (whether by deed in lieu of condemnation or otherwise), and transfers of properties that have been subject to a casualty to the respective insurer of such real property as part of an insurance settlement;

(xii) any Disposition of property or assets, or issuance of Equity Interests, that is permitted under Sections 7.1(a) and 7.7; and

(xiii) Dispositions of Permitted Factored Accounts due from any customer of any Loan Party pursuant to any Receivable Financing Agreement (subject to the Terms of the Lien Release and Assignment Agreement) provided, that, the dollar amount of Permitted Factored Accounts Disposed of by the Loan Parties in reliance on this clause (xiii) during any Fiscal Year shall not exceed $5,000,000 in the aggregate.

7.2 Creation of Liens.

Create or suffer to exist any Lien or transfer upon or against any of its property or assets now owned or hereafter acquired, except Permitted Encumbrances.

7.3 Guarantees.

Become liable upon the obligations of any Person by assumption, endorsement or guarantee thereof or otherwise (other than with respect to the Obligations) except:

(a) for the endorsement of checks in the ordinary course of business; and

(b) that (i) Loan Parties and their Subsidiaries may guarantee Indebtedness or other obligations of Borrowers and their US Subsidiaries that are Loan Parties and (ii) a Non-US Subsidiary may guarantee Indebtedness or other obligations of another Non-US Subsidiary (provided if the Non-US Subsidiary that is providing such guarantee is a Loan Party such other Non-US Subsidiary must also be a Loan Party); and

(c) guarantees not permitted under clauses (a) through (b) above in an aggregate outstanding amount not to exceed $1,000,000 at any time.

7.4 Investments.

Purchase or acquire Indebtedness or Equity Interests of, or any other interest in, any Person, except:

(a) cash or Cash Equivalents;

(b) as expressly permitted pursuant to Section 7.1, Section 7.5, Section 7.7 and Section 7.8;

(c) the endorsement of instruments for collection or deposit in the ordinary course of business;

(d) obligations under Hedging Agreements permitted under Section 7.8(e);

(e) Equity Interests or other obligations issued to Loan Parties by any Person (or the representative of such Person) in compromise or settlement of Indebtedness of such Person owing to Loan Parties (whether or not in connection with the insolvency, bankruptcy, receivership or reorganization of such a Person or a composition or readjustment of the debts of such Person) or upon the foreclosure, perfection or enforcement of any Lien in favor of a Loan Party securing any such obligations;

(f) obligations of account debtors to Loan Parties and their Subsidiaries arising from Accounts which are evidenced by a promissory note made by such account debtor payable to the applicable Loan Party or Subsidiary; provided, that, promptly upon the receipt of the original of any such promissory note issued to any Loan Party from any account debtor in excess of $500,000 in the aggregate (or regardless of the amount after an Event of Default exists or has occurred and is continuing, at the request of Agent), such promissory note(s) shall, upon the request of Agent, be endorsed to the order of Agent by Loan Parties and promptly delivered to Agent as so endorsed;

(g) investments by Loan Parties and their Subsidiaries in the form of Equity Interests received as part or all of the consideration for the sale of assets pursuant to a Disposition by any such Loan Party of Subsidiary to the extent permitted under Section 7.1(c);

(h) the existing investments of any Loan Party or Subsidiary thereof as of the date hereof in their respective Subsidiaries;

(i) investments made after the date hereof by (i) Parent in another Loan Party, (ii) a Borrower in another Borrower, (iii) a US Subsidiary of a Borrower in a US Subsidiary thereof and (iv) a Non-US Subsidiary of a Borrower in a Non-US Subsidiary thereof; provided, that, in no such case shall a Loan Party make an investment in a Person that is not a Loan Party;

(j) Permitted Acquisitions;

(k) loans or advances to employees, officers and directors to the extent permitted in Section 7.5(c);

(l) extensions of trade credit or other advances to customers on commercially reasonable terms in accordance with normal trade practice or otherwise in the ordinary course of business;; and

(m) investments not permitted under clauses (a) through (l) above in an aggregate outstanding amount not to exceed the $1,000,000 at any time; provided, that, as of the date of such investment or any payment made in respect thereof and after giving effect to such investment or payment, no Default or Event of Default shall exist or have occurred and be continuing.

7.5 Loans.

Make advances, loans or other extensions of credit to any Person, including, without limitation, any Subsidiary or Affiliate, except with respect to:

(a) the extension of commercial trade credit in connection with the sale of Inventory or the provision of services, each in the ordinary course of its business;

(b) deposits of cash for leases, utilities, worker's compensation and similar matters in the ordinary course of business;

(c) advances or loans by a Loan Party or any Subsidiary of a Loan Party to its employees, officers or directors in the ordinary course of business in an aggregate amount not to exceed $250,000 at any time outstanding for: (i) reasonable and necessary work-related travel or other ordinary business expenses to be incurred by such employee, officer or director in connection with their work for such Loan Party or Subsidiary and (ii) reasonable and necessary relocation expenses of such employees, officers and directors (including home mortgage financing for relocated employees, officers and directors); and

(d) advances, loans or extensions of credit made by (i) any Loan Party to another Loan Party, and (ii) a Non-US Subsidiary of a Loan Party to a Non-US Subsidiary of a Loan Party; provided, that, in no such case shall a Loan Party make an advance, loan or extension of credit in a Person that is not a Loan Party.

7.6 Capital Expenditures.

Contract for, purchase or make any Capital Expenditures during any fiscal year in an aggregate amount in excess of the greater of (i) $4,000,000 and (ii) the lesser of (A) $7,500,000 and (B) 1.5% of the aggregate trailing twelve months of revenue for the Loan Parties.

7.7 Dividends and Distributions.

Declare, pay or make any dividend or distribution or payment with respect to:

(a) any shares of the Equity Interests of any Loan Party or any of their Subsidiaries (other than dividends or distributions payable in its Equity Interests permitted hereunder) or apply any of its funds, property or assets to the purchase, redemption or other retirement of any such Equity Interests; except, that,

(i) Loan Parties and their Subsidiaries may make payments to their former employees, officers or directors in connection with the redemption or repurchase of Equity Interests issued by the Parent to such former employees, officers or directors upon their termination of employment with Loan Parties and their Subsidiaries or their death or disability, so long as (A) such payments do not to exceed $250,000 in the aggregate in any fiscal year or $1,000,000 in the aggregate during the Term, and (B) as of the date of each such payment, the Payment Conditions shall be satisfied;

(ii) In lieu of making tax payments directly, Loan Parties and their Subsidiaries may make dividends and distributions to Parent from time to time for the sole purpose of allowing Parent to, and Parent shall promptly upon receipt thereof use the proceeds thereof solely to, (A) pay federal and state income taxes and franchise taxes solely arising out of the consolidated operations of Parent, Borrowers and their Subsidiaries, after taking into account all available credits and deductions (provided, that, no Borrower or Subsidiary thereof shall make any distribution to Parent in any amount greater than the share of such taxes arising out of Borrowers and their Subsidiaries' consolidated net income), (B) so long as no Default or Event of Default shall have occurred and be continuing or would result therefrom, pay other reasonable administrative and maintenance expenses arising solely out of the consolidated operations (including maintenance of existence) of Parent, and (C) pay the reasonable fees and out-of-pocket expenses of the board of directors of Parent, in each case, in an amount not more than the portion of such fees and expenses as are reasonably and in good faith allocable to the operation of Parent and its Subsidiaries, and

(iii) Loan Parties and their Subsidiaries may make dividends and distributions to other Loan Parties and their Subsidiaries; provided, that, no such dividends and distributions shall be made (A) to a Non-US Subsidiary from a US Loan Party, or (B) to a Person that is not a Loan Party from a Loan Party.

7.8 Indebtedness.

Create, incur, assume or suffer to exist any Indebtedness (exclusive of trade payables incurred in the ordinary course of business consistent with past practices outstanding no more than sixty (60) days past its due date) except in respect of:

(a) the Obligations;

(b) Indebtedness (other than the Obligations) to the extent incurred after the Closing Date to finance Capital Expenditures in an aggregate amount not to exceed $5,000,000 at any one time outstanding;

(c) Indebtedness existing on the Closing Date as set forth on Schedule 7.8 and any refinancings, refundings, renewals or extensions thereof (without shortening the maturity thereof or increasing the principal amount thereof (excluding accrued interest, fees, discounts, premiums and expenses));

(d) Indebtedness expressly permitted by Section 7.3 and Section 7.5;

(e) Indebtedness arising under Hedging Agreements which are not entered into for speculative purposes and are intended to provide protection against fluctuations in interest rates or foreign currency exchange rates; provided, that, if such Indebtedness arising under any Hedging Agreement is not provided by a Bank Product Provider or any of its Affiliates, the Indebtedness under such Hedging Agreement shall only be Indebtedness permitted under this Section 7.8(e) if (i) prior to entering into any such Hedging Agreement, the applicable Loan Party shall have offered to a Bank Product Provider or any of its Affiliates the right of first refusal to enter such Hedging Agreement, and (ii) a Bank Product Provider or any of its Affiliates shall have elected not to exercise its right of first refusal and enter into such Hedging Agreement;

(f) Indebtedness in respect of netting services, overdraft protections, employee credit card programs and otherwise in connection with deposit accounts and Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently (except in the case of daylight overdrafts) drawn against insufficient funds in the ordinary course of business; provided, that, such Indebtedness is extinguished within five (5) Business Days of incurrence;

(g) Indebtedness in respect of bid, performance and surety bonds, including guarantees or obligations of Loan Parties with respect to letters of credit supporting such bid, performance and surety bonds or other forms of credit enhancement supporting performance obligations under services contracts, workers' compensation claims, self-insurance obligations, unemployment insurance, health, disability and other employee benefits or property, casualty or liability insurance in each case incurred in the ordinary course of business; provided, that, upon Agent's request, Agent shall have received true, correct and complete copies of all material agreements, documents or instruments evidencing or otherwise related to such Indebtedness, as duly authorized, executed and delivered by the parties thereto;

(h) unsecured Indebtedness arising from agreements to provide for customary indemnification, adjustment of purchase price or similar obligations, earn-outs or other similar obligations, in each case, incurred in connection with a Permitted Acquisition or Disposition permitted hereunder and in the case of earn-outs or other similar obligations so long as they have been subordinated to the Obligations pursuant to a subordination agreement in favor of Agent on terms and conditions reasonably satisfactory to Agent;

(i) unsecured subordinated Indebtedness of Loan Parties and their Subsidiaries arising after the date hereof to any third person not otherwise permitted in this Section 7.8, in an aggregate outstanding principal amount not to exceed $1,000,000 at any time and any refinancings, refundings, renewals or extensions thereof (without shortening the maturity thereof or increasing the principal amount thereof (excluding accrued interest, fees, discounts, premiums and expenses)); provided, that, (i) as of the date of incurring such Indebtedness and after giving effect thereto, no Default or Event of Default shall exist or have occurred and be continuing, (ii) the terms and provisions of such Indebtedness shall provide that no principal or interest (other than interest payable in kind (*i.e.*, non-cash interest)) shall be paid in respect thereof until after all of the Obligations are Paid in Full, and (iii) such third person shall have entered into a subordination agreement with Agent on terms and conditions reasonably satisfactory to Agent;

(j) Indebtedness arising pursuant to financing of insurance premiums payable on insurance policies maintained by or for the benefit of Loan Parties or any of their Subsidiaries; provided, that, upon Agent's request, Agent shall have received true, correct and complete copies of all material agreements, documents and instruments evidencing or otherwise related to such Indebtedness; and

(k) additional unsecured Indebtedness of Loan Parties and their Subsidiaries in an aggregate principal amount not to exceed $1,000,000 at any one time outstanding.

7.9 Nature of Business.

(a) Substantially change the nature of the business in which it is presently engaged, and similar, related or complementary businesses subsequently engaged in, nor except as specifically permitted hereby purchase or invest, directly or indirectly, in any assets or property other than in the ordinary course of business for assets or property which are useful in, necessary or appropriate for and are to be used in its business as presently conducted or similar, related or complementary businesses. Without in any way limiting the foregoing, under no circumstances shall any Loan Party engage in the sale, manufacture or distribution of Firearms or Ammunition.

7.10 Transactions with Affiliates.

(a) Directly or indirectly, purchase, acquire or lease any property from, or sell, transfer or lease any property to, or otherwise deal with, any Affiliate, except for:

(i) transactions, arrangements and other business activities entered into in the ordinary course of business, on an arm's-length basis on terms no less favorable than terms which would have been obtainable from a Person other than an Affiliate;

(ii) any employment or compensation arrangement or agreement, employee benefit plan or arrangement, officer or director indemnification agreement or any similar arrangement or other compensation arrangement entered into in good faith, for actual services rendered to any Loan Party or any Subsidiary, by any Loan Party and the Subsidiaries in the ordinary course of business and non-cash payments, issuance of securities or awards pursuant thereto, and including the grant of stock options, restricted stock, stock appreciation rights, phantom stock awards or similar rights to employees and directors in each case approved by the Board of Directors of such Loan Party; and

(iii) transactions among Loan Parties and their Subsidiaries expressly permitted by Section 7.1(c), Section 7.3(b), Section 7.4(i), Section 7.5(c), Section 7.5(d) and Section 7.7.

(b) Notwithstanding anything herein or in any other Loan Document, to the contrary, no Loan Party or Subsidiary of a Loan Party that is a limited liability company divide itself into two or more limited liability companies (pursuant to a "plan of division" as contemplated under Delaware Limited Liability Company Act or otherwise) without the prior written consent of Agent and in the event that any no Loan Party or Subsidiary of a Loan Party that is a limited liability company divides itself into two or more limited liability companies (with or without the prior consent of Agent as required above, any limited liability companies formed as a result of such division (including all series thereof) shall be become a Loan Party under this Agreement and the other Loan Documents and each Loan Party acknowledges and agrees that any transfer of asset or liabilities in connection with any plan of division without the express prior written consent of Agent shall be a fraudulent transfer and/or fraudulent conveyance under applicable law.

7.11 [Reserved].

7.12 Subsidiaries.

(a) Form any Subsidiary unless (i) such Subsidiary expressly joins in this Agreement as a Loan Party, becomes jointly and severally liable for, or otherwise guaranties, all of the Obligations and grants a Lien on substantially all of its assets to secure all of the Obligations and consents to the pledge of its Equity Interests to secure all of the Obligations in form and substance reasonably satisfactory to Agent (in each case, except (A) to the extent that such assets constitute Excluded Assets), (ii) Agent is provided with a pledge of all of the outstanding Equity Interests of such Subsidiary to secure all of the Obligations in form and substance reasonably satisfactory to Agent (except to the extent that such Equity Interests constitutes Excluded Assets), and (iii) Agent shall have received fifteen (15) days prior written notice thereof (along with an update of Schedule 5.2(b)) and all documents, including collateral documents, guaranties, corporate authority documents and legal opinions, as Agent may require in its Permitted Discretion in connection therewith, all in form and substance reasonably satisfactory to Agent; provided, that, investments in any Subsidiary which Loan Parties may form in accordance with this Section 7.12(a) may only be made to the extent permitted by Section 7.4.

(b) Enter into any partnership, joint venture or similar arrangement.

7.13 Fiscal Year and Accounting Changes.

Change its fiscal year-end from April 30, 2020 or make any change (a) in accounting treatment and reporting practices except as required by GAAP consistently applied or (b) in tax reporting treatment except as required by law.

7.14 Pledge of Credit.

Now or hereafter pledge Agent's or any Lender's credit on any purchases or for any purpose.

7.15 Amendment of Organizational Documents.

(a) Amend, modify or waive any term or provision of its certificate of formation, limited liability company agreement, certificate of incorporation, by-laws, partnership agreement or other applicable documents relating to such Loan Party's or Subsidiary's formation or governance, or any shareholders agreement, unless Agent is provided prior five (5) Business Days' prior written notice of any such amendment, modification or waiver and such amendment, modification or waiver is not materially adverse in any respect to Agent and Lenders.

(b) Amend, modify or waive any term or provision of any Material Contract not specified in another clause of this Section 7.15, unless Agent is provided prior five (5) Business Days' prior written notice of any such amendment, modification or waiver and such amendment, modification or waiver is not materially adverse in any respect to Agent and Lenders.

7.16 Compliance with ERISA.

(a) Maintain, or permit any member of the Controlled Group to maintain, or become obligated to contribute, or permit any member of the Controlled Group to become obligated to contribute, to any Title IV Plan, other than those Title IV Plans disclosed on Schedule 5.8(d)(i), (b) engage, or permit any member of the Controlled Group to engage, in any non-exempt "prohibited transaction", as that term is defined in Section 406 of ERISA and Section 4975 of the Code, (c) incur, or permit any member of the Controlled Group to fail the applicable "minimum funding standard", as that term is defined in Section 302 of ERISA or Section 412 of the Code, (d) terminate, or permit any member of the Controlled Group to terminate, any Title IV Plan where such event could result in any liability of any Loan Party or any member of the Controlled Group or the imposition of a Lien on the property of any Loan Party or any member of the Controlled Group pursuant to Section 4068 of ERISA, (e) assume, or permit any member of the Controlled Group to assume, any obligation to contribute to any Multiemployer Plan not disclosed on Schedule 5.8(d)(i), (f) incur, or permit any member of the Controlled Group to incur, any withdrawal liability to any Multiemployer Plan, except to the extent that the failure to comply, individually or in the aggregate, could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect, (g) fail promptly to notify Agent of the occurrence of any Termination Event, (h) fail to comply, or permit a member of the Controlled Group to fail to comply, with the requirements of ERISA or the Code or other applicable laws in respect of any Plan, or (i) fail to meet, or permit any member of the Controlled Group to fail to meet, all minimum funding requirements under ERISA or the Code or postpone or delay or allow any member of the Controlled Group to postpone or delay any funding requirement with respect of any Title IV Plan.

7.17 Prepayment, Etc. of Money Borrowed.

At any time, directly or indirectly, voluntarily prepay any Money Borrowed (other than the Obligations), or voluntarily repurchase, redeem, retire or otherwise acquire any Money Borrowed of any Loan Party or any Subsidiary, in each case prior to the due date thereof; provided, however, that, a Loan Party may directly or indirectly, voluntarily prepay any Money Borrowed (other than the Obligations), or voluntarily repurchase, redeem, retire or otherwise acquire any Money Borrowed of any Loan Party or any Subsidiary, in each case prior to the due date thereof, so long as, as of the date of each such payment or acquisition of Money Borrowed, the Payment Conditions shall be satisfied.

7.18 State of Organization/Names/Locations.

Change the jurisdiction in which it is incorporated or otherwise organized, or change its legal name (or use a different name), location of chief executive office or location of any of the Collateral, unless Administrative Loan Party has given Agent not less than thirty (30) days prior written notice thereof (along with an update of Schedule 4.4, Schedule 4.14(c), Schedule 5.2(a) and Schedule 5.6, as applicable) and Loan Parties have taken (or caused to be taken) all steps required by Agent with respect thereto (including without limitation all steps required by Agent to maintain Agent's Lien on such Collateral, as well as the priority and effectiveness of such Lien); provided, that, no Loan Party shall change its jurisdiction of incorporation or organization or location of any of its Collateral to a jurisdiction or location from (a) the continental United States to outside of the continental United States or (b) one country to another country.

7.19 Foreign Assets Control Regulations, Etc.

None of the requesting or borrowing of the Loans or the requesting or issuance, extension or renewal of any Letters of Credit or the use of the proceeds of any thereof will violate the Trading With the Enemy Act (50 U.S.C. §1 et seq., as amended) (the "Trading With the Enemy Act") or any of the foreign assets control regulations of the United States Treasury Department (31 C.F.R., Subtitle B, Chapter V, as amended) (the "Foreign Assets Control Regulations") or any enabling legislation or executive order relating thereto (including, but not limited to (a) Executive order 13224 of September 21, 2001 Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (66 Fed. Reg. 49079 (2001)) (the "Executive Order") and (b) the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Public Law 107-56). Neither any Borrower nor any other Loan Party is or will become a Sanctioned Entity or Sanctioned Person as described in the Executive Order, the Trading with the Enemy Act or the Foreign Assets Control Regulations or engages or will engage in any dealings or transactions, or be otherwise associated, with any such Sanctioned Entity or Sanctioned Person.

7.20 Burdensome Agreements.

Enter into or permit to exist any agreement, document, or instrument (other than this Agreement or any Other Document) that (a) limits the ability (i) of any Subsidiary to make any payment or other distributions to any Loan Party or to otherwise transfer property to or invest in a Loan Party, (ii) of any Subsidiary to guarantee the Obligations, (iii) of any Subsidiary to make or repay loans to a Loan Party, or (iv) of Loan Parties or any Subsidiary to create, incur, assume or suffer to exist Liens on property of such Person in favor of Agent; provided, however, that, this clause (iv) shall not prohibit (A) any negative pledge incurred or provided in favor of any holder of Indebtedness permitted under Section 7.8(b) solely to the extent any such negative pledge relates to the property financed by or the subject of such Indebtedness or (B) the negative pledge provisions set forth in any Receivable Financing Documents; or (b) requires the grant of a Lien to secure an obligation of such Person if a Lien is granted to secure another obligation of such Person.

8. CONDITIONS PRECEDENT.

8.1 Conditions to Initial Advances.

The agreement of Lenders to make the initial Advances and Letters of Credit requested to be made on the Closing Date is subject to the satisfaction, or waiver by Lenders, immediately prior to or concurrently with the making of such Advances and Letters of Credit, of the following conditions precedent, all in form and substance acceptable to Agent:

(a) Agreement. Agent shall have received this Agreement duly executed and delivered by an authorized officer of each of the parties hereto;

(b) Notes. Agent, to the extent required by Lenders, shall have received the Notes duly executed and delivered by an authorized officer of Borrowers in favor of such Lenders;

(c) Filings, Registrations, Recordings and Searches. Each document (including, without limitation, any UCC financing statement) required by this Agreement, any Other Document or under law or reasonably requested by Agent to be filed, registered or recorded in order to create, in favor of Agent, a perfected Lien upon the Collateral shall have been properly filed, registered or recorded in each jurisdiction in which the filing, registration or recordation thereof is so required or requested, and Agent shall have received an acknowledgment copy, or other evidence satisfactory to it, of each such filing, registration or recordation and satisfactory evidence of the payment of any necessary fee, tax or expense relating thereto. Agent shall also have received UCC, tax, judgment and other Lien searches with respect to each Loan Party in such jurisdictions as Agent shall require, and the results of such searches shall be satisfactory to Agent;

(d) Payoff Letters; Releases. Fully executed payoff letters (or other evidence of repayment) from all creditors being repaid (in whole or in part) in connection with the making of the initial Advances, along with appropriate Lien releases;

(e) Corporate Proceedings of Loan Parties. Agent shall have received a copy of the resolutions of the board of directors (or equivalent authority) of each Loan Party authorizing (i) the execution, delivery and performance of this Agreement and the Other Documents to which it is a party, and (ii) the granting by each Loan Party of the Liens upon the Collateral in each case certified by the Secretary or an Assistant Secretary of each Loan Party as of the Closing Date; and, such certificate shall state that the resolutions thereby certified have not been amended, modified, revoked or rescinded as of the date of such certificate;

(f) Incumbency Certificates of Loan Parties. Agent shall have received a certificate of the Secretary or an Assistant Secretary of each Loan Party, dated as of the Closing Date, as to the incumbency and signature of the officers of each Loan Party executing this Agreement, any certificate or Other Documents to be delivered by it pursuant hereto, together with evidence of the incumbency of such Secretary or Assistant Secretary;

(g) Certificates. Agent shall have received a copy of the certificate of formation, limited liability company agreement, certificate of incorporation, by-laws, partnership agreement or other applicable documents relating to each Loan Party's formation and governance, and all amendments thereto, certified in the case of formation documents filed with a Governmental Body by the Secretary of State or other appropriate official of its jurisdiction of incorporation or formation and certified in the case of other formation and governance documents as accurate and complete by the Secretary or Assistant Secretary of each Loan Party;

(h) Good Standing Certificates. Agent shall have received good standing certificates for each Loan Party dated not more than thirty (30) days prior to the Closing Date, issued by the Secretary of State or other appropriate official of each such Loan Party's jurisdiction of incorporation or formation and each jurisdiction in which qualification and good standing are necessary for each such Loan Party to conduct its business and own its property and where the failure to so qualify could reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect;

(i) Legal Opinion. Agent shall have received the executed legal opinions of Loan Parties' legal counsel, which shall cover such matters incident to the transactions contemplated by this Agreement and the Other Documents as Agent may reasonably require and each Loan Party hereby authorizes and directs such counsel to deliver such opinions to Agent and Lenders;

(j) No Litigation. (i) No litigation, investigation or proceeding before or by any arbitrator or Governmental Body shall be continuing or threatened in writing against any Loan Party or against the officers or directors of any Loan Party in connection with this Agreement and/or the Other Documents or any of the transactions contemplated thereby and which, in the reasonable opinion of Agent, is deemed material and (ii) no injunction, writ, restraining order or other order of any nature materially adverse to any Loan Party or the conduct of its business or inconsistent with the due consummation of the transactions contemplated by this Agreement shall have been issued by any Governmental Body;

(k) Collateral Examination. Agent shall have completed Collateral examinations and received appraisals, the results of which shall be satisfactory in form and substance to Lenders, of the Receivables, Inventory, General Intangibles and Investment Property of each Loan Party and all books and records in connection therewith;

(l) Fees and Expenses. Agent shall have received all fees payable to Agent and Lenders on or prior to the Closing Date pursuant to Section 3.3 and the Fee Letter and all reimbursable expenses of Agent invoiced to date in accordance with this Agreement;

(m) Financial Statements. Agent shall have received the consolidated and consolidating balance sheets of Parent and its Subsidiaries and such other Persons described therein as of April 30, 2018, April 30, 2019 and April 30, 2020 , and the related statements of income, changes in stockholders' equity, and changes in cash flow for the period ended on such date, all accompanied by reports thereon containing opinions without qualification by independent certified public accountants, and shall have received the unaudited consolidated and consolidating balance sheets of Parent and its Subsidiaries and such other Persons described therein as of July 31, 2020, and the related statements of income, changes in stockholders' equity, and changes in cash flow for the period ended on such date;

(n) Other Documents. Agent shall have received fully executed copies of all Other Documents to the extent required to be executed on the Closing Date;

(o) Insurance. Agent shall have received insurance certificates and lender's loss payable endorsements and additional insured endorsements naming Agent as lender's loss payee or additional insured, as applicable, with respect to Loan Parties' property and liability insurance policies, together with notice of cancellation endorsements and such other materials as are required pursuant to Section 4.10;

(p) Payment Instructions. Agent shall have received written instructions from Administrative Loan Party directing the application of proceeds of the initial Advances made pursuant to this Agreement;

(q) Blocked Accounts. Agent shall have received duly executed control agreements relating to Loan Parties' Blocked Accounts with financial institutions granting to Agent a Lien therein, which control agreements shall be consistent with the requirements of Section 4.14(h) and shall be otherwise in form and substance satisfactory to Agent;

(r) Consents. Agent shall have received any and all Consents necessary to permit the effectuation of the transactions contemplated by this Agreement; and, Agent shall have received such Consents and waivers of such third parties as might assert claims with respect to the Collateral, as Agent and its counsel shall deem necessary;

(s) No Adverse Material Change. Since April 30, 2020, there shall not have occurred any event, condition or state of facts which could reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect;

(t) Collateral Access Agreements. Agent shall have received duly executed Collateral Access Agreements with respect to all third-party Collateral locations required by Agent;

(u) Equity Interests Pledge. Agent shall have received a pledge agreement, executed by each applicable Loan Party in favor of Agent, pursuant to which such Loan Party shall pledge to Agent and grant to Agent a Lien upon all of the outstanding Equity Interests of each Subsidiary (other than Equity Interests, if any, constituting Excluded Assets) of such Loan Party, together with share powers duly executed in blank and originals of any related share, membership or other similar certificates;

(v) Contract Review. Agent shall have reviewed all Material Contracts of Loan Parties, including, without limitation, and to the extent required by Agent, leases, union contracts, labor contracts, vendor supply contracts, license agreements and distributorship agreements and such contracts and agreements shall be satisfactory in all respects to Agent;

(w) Consummation of the Separation. Agent shall have evidence that the Parent has completed it separation agreement with Smith & Wesson Brands, Inc. and that (a) the Equity Interests of parent is listed on a public stock exchange acceptable to Agent, (b) Parent has entered into a Transition Agreement with Smith & Wesson Brands, Inc., which agreement shall be duly assigned to Agent pursuant to an agreement in form and substance acceptable to Agent, and (c) all releases requested by Agent in connection with the separation agreement with Smith & Wesson Brands, Inc. have been executed and delivered to Agent;

(x) Borrowing Base. Agent shall have received a duly executed Borrowing Base Certificate which shall indicate that the aggregate amount of Eligible Accounts and Eligible Inventory is sufficient in value and amount to support Revolving Advances and Letters of Credit in the amount requested by Borrowers on the Closing Date;

(y) Excess Availability. After giving effect to the initial Advances and Letters of Credit and all fees and expenses pertaining to the closing of this Agreement, Borrowers shall have Excess Availability of at least $40,000,000;

(z) Cash on Deposit. Agent shall have received evidence that, on the Closing Date, Loan Parties have on deposit in deposit accounts, investments accounts, securities accounts or any other similar accounts cash and Cash Equivalents in an amount of not less than $24,000,000 and that Agent shall have a perfected first priority Lien upon such accounts pursuant to a security agreement in form and substance satisfactory to Agent;

(aa) Due Diligence. Agent and its counsel shall have completed its business and legal due diligence with results satisfactory to Agent and its counsel, including without limitation (i) pre-funding field examination of the business and collateral of each Loan Party in accordance with Agent's customary procedures and practices and as otherwise required by the nature and circumstances of the businesses of each Loan Party, (ii) favorable trade and customer references and (iii) background checks with respect to such individuals as Agent determines issued by investigatory firms satisfactory to Agent; and Agent shall be satisfied with the corporate and capital structure and management of each Loan Party's license agreements and with all legal, tax, accounting and other matters relating to each Loan Party;

(bb) Solvency. As of the making of Advances, issuance of Letters of Credit and/or providing other financial accommodations hereunder on the Closing Date, and after giving effect thereto, each of Loan Parties shall be Solvent and Loan Parties and their Subsidiaries taken as a whole shall be Solvent;

(cc) Material Contracts. Each of the Material Contracts is in full force and effect, and no Loan Party is in default of any of its obligations thereunder;

(dd) KYC, etc. The Agent and Lenders shall have received (i) all documentation and other information required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including without limitation the Patriot Act, in each case, the results of which are satisfactory to Agent, and (ii) a Certification Regarding Beneficial; Owners of Legal Entity Customers in its standard form as required by the Financial Crimes Enforcement Network of the United States Department of the Treasury;

(ee) StuckyNet User Agreement. The Borrowers shall have executed and delivered TD Bank's standard form of Asset Based Lending Internet Access Agreement; and

(ff) Other. All corporate and other proceedings, and all documents, instruments and other legal matters in connection with the transactions contemplated by this Agreement shall be satisfactory in form and substance to Agent and its counsel.

8.2 Conditions to Each Advance.

The agreement of Lenders to make or to issue or to cause to be issued any Advance or Letter of Credit requested to be made or issued on any date (including, without limitation, the initial Advance(s) or Letter(s) of Credit), is subject to the satisfaction of the following conditions precedent as of the date such Advance or Letter of Credit is made or issued:

(a) Representations and Warranties. Each of the representations and warranties made by any Loan Party in or pursuant to this Agreement and any Other Document to which it is a party, and each of the representations and warranties contained in any certificate, document or financial or other statement furnished at any time under or in connection with this Agreement or any Other Document shall be true and correct in all material respects (without duplication of any materiality qualifiers already set forth therein; or in all respects with respect to representations and warranties made on the Closing Date) on and as of such date as if made on and as of such date, except to the extent that such representations and warranties expressly relate solely to an earlier date (in which case such representations and warranties shall have been true and correct in all material respects (without duplication of any materiality qualifiers already set forth therein) on and as of such earlier date); provided, however, that, each Lender, in its sole discretion, may (and at the direction of Agent and Required Lenders, shall) continue to make Advances and participate in Letters of Credit notwithstanding the failure to make such representations and warranties and that any Advances so made and Letters of Credit so issued shall not be deemed a waiver of any applicable Default or Event of Default;

(b) No Default. No Event of Default or Default shall have occurred and be continuing on such date, or would exist after giving effect to the Advances requested to be made, on such date; and

(c) Maximum Revolving Advances/Letters of Credit. The limits set forth in Section 2.1(b) are not exceeded after giving effect to such Advances or Letters or Credit, as applicable.

Each request for an Advance or Letter of Credit by Administrative Loan Party (on behalf of Borrowers) hereunder shall constitute a representation and warranty by Borrowers as of the date of such Advance or Letter of Credit that the conditions contained in this subsection shall have been satisfied.

9. INFORMATION AS TO LOAN PARTIES.

Until all of the Obligations are Paid in Full, each Loan Party shall:

9.1 Disclosure of Material Matters Pertaining to Collateral.

Immediately upon learning thereof, report to Agent all matters materially affecting the value, enforceability or collectability of any portion of the Collateral including, without limitation, any Loan Party's reclamation or repossession of, or the return to any Loan Party of, a material amount of goods or claims or disputes asserted by any Customer or other obligor.

9.2 Collateral and Related Reports.

(a) Deliver to Agent concurrent with the delivery of a Borrowing Base Certificate:

(i) a rollforward of Accounts, including gross billings, cash receipts, credit memos (reported separately by dilutive and non-dilutive categories) and other adjustments issued (recorded directly to the Accounts receivable aging), write-offs, other debit and credit adjustments (including an explanation of all such adjustments); and

(ii) a perpetual Inventory summary report as of the end of the immediately preceding month or week during the continuance of a Cash Dominion Event

(b) Deliver to Agent concurrent with the delivery of the Borrowing Base Certificate a report, in form and substance reasonably satisfactory to Agent, detailing the amount on deposit in all Restricted Accounts;

(c) Deliver to Agent on or before the twenty-fifth (25th) day of each month a Borrowing Base Certificate substantially in the form attached hereto as Exhibit A executed by a Responsible Officer of Administrative Loan Party (on behalf of Borrowers), which shall be calculated as of the last day of the immediately preceding month (which shall not be binding upon Agent or restrictive of Agent's rights under this Agreement, and which shall not restrict the rights of Agent to recalculate the Borrowing Base or any of the related components), setting forth an updated calculation of all components of the Borrowing Base including without limitation Reserves that Administrative Loan Party is aware of (it being understood that Agent may institute additional Reserves), the Borrowing Base and Excess Availability, if any, and supported by schedules showing the derivation thereof and containing such detail and such other information as Agent may request from time to time; provided, that (i) during any period (A) beginning on the date on which Excess Availability is less than the greater of (1) $17,500,000 and (2) 8% of the Line Cap, and (B) ending on the date on which Excess Availability is equal to or greater than the greater of (1) $17,500,000 and (2) 8% of the Line Cap, in either case, for each day during a period of thirty (30) consecutive days or (ii) for the period during which any Specified Event of Default shall have occurred and be continuing, the Administrative Loan Party shall compute the Borrowing Base weekly and deliver a Borrowing Base Certificate on a weekly basis, which Borrowing Base Certificate shall be delivered within three (3) Business Days following the end of each applicable weekly period.

(d) Deliver to Agent on or before the twenty-fifth (25th) day of each month (or more frequently if required by Agent) the following reports, which shall be current as of the close of business on the last Business Day of the calendar month immediately prior to such date:

(i) with respect to each Borrower, a summary Accounts receivable aging by Customer, along with a listing of related Contra Claims;

(ii) with respect to each Borrower, an Accounts receivable rollforward report, which shall separately identify (A) the Accounts receivable aging balance as of the first (1st) day of such immediately preceding calendar month, (B) gross billings, cash receipts, credit memos and other adjustments issued (recorded directly to the Accounts receivable aging), write-offs, other debit and credit adjustments on a cumulative basis for such calendar month during such immediately preceding calendar month, and (C) Accounts receivable aging balance as of the last

day of such immediately preceding calendar month, supported by the following information for such immediately preceding calendar month:

(1) Accounts receivable aging summary totals;

(2) total amount of sales and invoices issued;

(3) total amount of cash receipts; and

(4) total amount of credits and adjustments (including credit memos issued, write-offs, returns, discounts and other credit adjustments);

(iii) (A) a reconciliation of the Accounts receivable aging balance, together with a copy of Borrowers' detailed trial balance, as of the last day of such immediately preceding calendar month to each of the following for such calendar month: (1) Accounts receivable balance delivered to Agent, (2) each Borrower's general ledger (tied to corresponding trial balance accounts), and (3) each Borrower's balance sheet, together with supporting documentation for any reconciling items, and (B) notice of all claims, offsets, or disputes or other Contra Claims asserted by Customers with respect to any Borrower's Accounts receivable;

(iv) for each of Borrowers' ten (10) largest Customers, the payment terms of such Customer's Accounts receivable, its address, credit ratings and an aging for such Customers' Accounts receivable balances as set forth in the accounts receivable aging most recently delivered to Agent;

(v) with respect to each Borrower, a perpetual Inventory report, current as of the close of business on the last Business Day of the immediately preceding calendar month, and reconciliation to each Borrower's general ledger and balance sheet and Inventory reporting for the same calendar month;

(vi) with respect to each Borrower, an Inventory report by location, category and component (i.e., raw materials, work in process and finished goods), including Inventory aging report (and including the amounts of Inventory and the value thereof at any leased locations and at premises of warehouses, processors or other third parties);

(vii) with respect to each Loan Party's accounts payable and expenses for the immediately preceding calendar month, a report including an accounts payable aging, accrued expenses, and listing of checks held, together with a reconciliation to each Loan Party's general ledger and balance sheet for such calendar month;

(viii) (A) a detailed report of accrued and other liabilities of Loan Parties as of the end of such immediately preceding calendar month reconciled to the balance sheet for such calendar month; (B) listing of (1) past due amounts owing to owners and lessors of leased premises, warehouses, processors and other third parties from time to time in possession of any Collateral of Loan Parties, (2) monthly rent, lease, warehouse and other amounts payable to the Persons referred to in the foregoing clause (1), and (3) cost of all Inventory and other Collateral then located at each of the locations referred to in the foregoing clause (1); and (C) confirmation that all sales, personal property and payroll and other taxes of Loan Parties are currently paid;

(ix) (A) a reconciliation of outstanding Advances and undrawn Letters of Credit as of the end of such immediately preceding calendar month to each Borrower's general ledger and balance sheet for such calendar month; and (B) a detailed list of Letters of Credit outstanding, including for each Letter of Credit the undrawn principal amount thereof, beneficiary name, issuer name, and expiration date; and

(x) notice of termination or breach of any Material Contract of a Loan Party or any of their Subsidiaries (A) which could reasonably be expected to result in a Material Adverse Effect or (B) with respect to a contract in which the aggregate payments thereunder by any Loan Party or any of their Subsidiaries exceed $1,000,000 in any fiscal year;

(e) Deliver to Agent on or before the sixtieth (60th) day after the end of each Borrowers' fiscal years:

(i) current certificates of insurance and lender's loss payee endorsements for all insurance policies which Loan Parties and their Subsidiaries are required to maintain pursuant to Section 4.10, together with such other insurance materials as are required pursuant to such Section 4.10; and

(ii) a list of all Customers of Loan Parties owing Accounts receivable as of the end of such fiscal year, including such Customers' respective name, address, phone number, and e-mail address;

(f) Promptly, upon the request of Agent in its Permitted Discretion, in each case to the extent available, (i) copies of customer statements, customer purchase orders, customer sales invoices, credit memos, remittance advices and reports, and copies of deposit slips and bank statements, (ii) copies of customer purchase orders, invoices and delivery documents for Accounts or other Receivables created by any Loan Party, (iii) copies of shipping and delivery documents for Inventory and Equipment acquired by any Loan Party, and (iv) test verifications;

(g) Promptly, deliver to Agent (i) current certificates of insurance and loss payee endorsements for all insurance policies which Loan Parties and their Subsidiaries are required to maintain pursuant to Section 4.10, immediately following the renewal of each such policy and any amendments thereto; and (ii) such other reports and information as to the Collateral, Loan Parties or their Subsidiaries as Agent shall request from time to time in its Permitted Discretion; and

(h) Promptly upon the occurrence thereof, deliver to Agent notice of termination or breach of any Material Contract of a Loan Party or any of their Subsidiaries which could reasonably be expected to result in a Material Adverse Effect;

(i) All Collateral reporting which shall be provided to Agent pursuant to this Sections 9.2 shall be delivered to Agent electronically (or other manner reasonably satisfactory to Agent) and in form and substance satisfactory to Agent. All such reports are solely for Agent's convenience in maintaining records of the Collateral, and any Loan Party's failure to deliver any of such reports to Agent shall not affect, terminate, modify or otherwise limit Agent's Lien with respect to the Collateral. Agent shall have the right to confirm and verify all Receivables by any manner and through any medium it considers advisable and do whatever it may deem reasonably necessary to protect its interests hereunder.

9.3 Environmental Reports.

Furnish Agent, concurrently with the delivery of the financial statements referred to in Sections 9.7 and 9.8, with a certificate signed by a Responsible Officer of Administrative Loan Party stating, to the best of such officer's knowledge, that each Loan Party and each of their respective Subsidiaries is in compliance in all material respects with all Environmental Laws. To the extent any Loan Party or any Subsidiary of any Loan Party is not in compliance with any Environmental Laws, the certificate shall set forth with specificity all areas of non-compliance and the proposed action such Loan Party or Subsidiary, as applicable, will implement in order to achieve full compliance.

9.4 Litigation.

Promptly (but in any event within five (5) Business Days thereafter) notify Agent in writing of (or of any judgment, settlement or other material development in) any litigation, suit or administrative proceeding affecting any Loan Party or any Subsidiary, and of (or of any material development in) any suit or administrative proceeding, which in any such matter could reasonably be expected to (a) result in liability (i) in excess of $2,500,000 if such claim is covered by insurance or (ii) $1,000,000 if such claim is not covered by insurance, or (b) have a Material Adverse Effect.

9.5 Material Occurrences.

Promptly (but in any event within five (5) Business Days thereafter) notify Agent in writing upon the occurrence of (a) any Event of Default or Default; (b) any event, development or circumstance whereby any financial statements or other reports furnished to Agent fail in any material respect to present fairly, in accordance with GAAP consistently applied, the financial condition or operating results of any Loan Party or any Subsidiary of any Loan Party as of the date of such statements; (c) any accumulated retirement plan funding deficiency which, if such deficiency continued for two (2) plan years and was not corrected as provided in Section 4971 of the Code, could subject any Loan Party or any Subsidiary of any Loan Party to a tax imposed by Section 4971 of the Code; (d) each and every default by any Loan Party or any Subsidiary of any Loan Party which might result in the acceleration of the maturity of any Indebtedness, including the names and addresses of the holders of such Indebtedness with respect to which there is a default existing or with respect to which the maturity has been or could be accelerated, and the amount of such Indebtedness; and (e) any other development in the business or affairs of any Loan Party or any Subsidiary of any Loan Party which could reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect; in each case describing the nature thereof and the action Loan Parties or such Subsidiaries propose to take with respect thereto.

9.6 Permitted Factored Accounts.

(a) Deliver to Agent as soon as possible and in any event within five days prior to the sale thereof, a detailed schedule listing with particularity those Permitted Factored Accounts to be sold and the amounts to be received, including the date of such purchase orders and invoices sufficient for the specific identification thereof, together with, if requested by Agent in its Permitted Discretion, copies of (i) specific underlying purchase orders and invoices between the applicable Borrower and its customer, (ii) a description of the specific Inventory associated with each such Permitted Factored Account, and (iii) such other information may be requested by Agent in its Permitted Discretion; and

(b) Deliver to Agent promptly after the receipt thereof and in any event within five days after the receipt thereof, (i) a detailed report of all amounts paid to Borrowers in respect of the sale of the Permitted Factored Accounts, (ii) copies of all statements, reports, notices or other documentation received by any Loan Party in respect of the Permitted Factored Accounts from time to time, and (iii) an Account roll-forward in respect of the Permitted Factored Accounts so purchased, in a format acceptable to Lender in its discretion, tied to the beginning and ending account receivable balances of Borrowers' general ledger.

9.7 Annual Financial Statements.

Furnish Agent within ninety (90) days after the end of each fiscal year of Loan Parties, financial statements of Loan Parties and their Subsidiaries on a consolidated and consolidating basis, including, but not limited to, statements of income and stockholders' equity and cash flow from the beginning of the current fiscal year to the end of such fiscal year and the balance sheet as at the end of such fiscal year, all prepared in accordance with GAAP applied on a basis consistent with prior practices, and in reasonable detail and reported upon without qualification by an independent certified public accounting firm selected by Loan Parties and satisfactory to Agent (the "Accountants"). The report of the Accountants shall be accompanied by (a) copies of all management letters, exception reports or similar letters or reports received by Loan Parties or their Subsidiaries from the Accountants, and (b) a statement of the Accountants certifying that (i) they have caused this Agreement to be reviewed, and (ii) in making the examination upon which such report was based, either no information came to their attention which to their knowledge constituted an Event of Default or a Default under this Agreement or any related agreement or, if such information came to their attention, specifying any such Default or Event of Default, its nature, when it occurred and whether it is continuing, and such report shall contain or have appended thereto calculations which set forth Loan Parties' compliance with the requirements or restrictions imposed by Sections 6.8 and 7.6. In addition, the reports shall be accompanied by a Compliance Certificate of a Responsible Officer of Administrative Loan Party which shall state that, based on an examination sufficient to permit such Responsible Officer to make an informed statement, no Default or Event of Default exists, or, if such is not the case, specifying such Default or Event of Default, its nature, when it occurred, whether it is continuing and the steps being taken by Loan Parties with respect to such event, and such Compliance Certificate shall have appended thereto calculations which set forth Loan Parties' compliance with the requirements or restrictions imposed by Sections 6.8 and 7.6. The Compliance Certificate shall also set forth a calculation of Quarterly Average Excess Availability for the purposes of determining the Applicable Margin with respect to the then current calculation period.

9.8 Quarterly Financial Statements.

Furnish Agent within forty-five (45) days after the end of each fiscal quarter, an unaudited balance sheet of Loan Parties and their Subsidiaries on a consolidated and consolidating basis and unaudited statements of income and stockholders' equity and cash flow of Loan Parties and their Subsidiaries on a consolidated and consolidating basis reflecting results of operations from the beginning of the fiscal year to the end of such quarter and for such quarter, prepared on a basis consistent with prior practices and complete and correct in all material respects, subject to normal and recurring year end adjustments that individually and in the aggregate are not material to the business of Loan Parties or their Subsidiaries. Each such balance sheet, statement of income and stockholders' equity and statement of cash flow shall set forth a comparison of the figures for (a) the current fiscal period and the current year-to-date with the figures for the same fiscal period and year-to-date period of the immediately preceding fiscal year and (b) the projections for such fiscal period and year-to-date period delivered pursuant to Section 5.5(b) or Section 9.12, as applicable and shall be accompanied by an analysis and discussion of results prepared by senior management of Loan Parties with respect thereto, satisfactory to Agent. The financial statements shall be accompanied by a Compliance Certificate signed by a Responsible Officer of Administrative Loan Party, which shall state that, based on an examination sufficient to permit such Responsible Officer to make an informed statement, no Default or Event of Default exists, or, if such is not the case, specifying such Default or Event of Default, its nature, when it occurred, whether it is continuing and the steps being taken by Loan Parties with respect to the events giving risk to such Default or Event of Default and, such Compliance Certificate shall have appended thereto calculations which set forth Loan Parties' compliance with the requirements or restrictions imposed by Sections 6.8 and 7.6. The foregoing certificate shall also set forth a calculation of Quarterly Average Excess Availability for the purposes of determining the Applicable Margin with respect to the then current calculation period.

Documents required to be delivered pursuant to Section 9.7 or Section 9.8 (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which the Parent posts such documents, or provides a link thereto on the Parent's website, www.aob.com; or (ii) on which such documents are posted on the Parent's behalf on an Internet or intranet website, if any, to which each Lender and the Agent have access (whether a commercial, third-party website or whether sponsored by the Agent); provided, that with respect to the foregoing clauses (i) and (ii): (A) the Parent shall deliver paper copies of such documents to the Agent or any Lender upon its request to the Parent to deliver such paper copies until a written request to cease delivering paper copies is given by the Agent or such Lender and (B) the Parent shall notify the Agent and each Lender (by facsimile or electronic mail) of the posting of any such documents and provide to the Agent by electronic mail electronic versions (*i.e.*, soft copies) of such documents. The Agent shall have no obligation to request the delivery of or to maintain paper copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by the Parent with any such request by a Lender for delivery, and each Lender shall be solely responsible for requesting delivery to it or maintaining its copies of such documents.

9.9 Monthly Financial Statements.

Furnish Agent within thirty (30) days after the end of each month, an unaudited balance sheet of Loan Parties and their Subsidiaries on a consolidated and consolidating basis and unaudited statements of income and stockholders' equity and cash flow of Loan Parties and their Subsidiaries on a consolidated and consolidating basis reflecting results of operations from the beginning of the fiscal year to the end of such month and for such month, prepared on a basis consistent with prior practices and complete and correct in all material respects, subject to normal and recurring year end adjustments that individually and in the aggregate are not material to the business of Loan Parties or their Subsidiaries. Each such balance sheet, statement of income and stockholders' equity and statement of cash flow shall set forth a comparison of the figures for (a) the current fiscal period and the current year-to-date with the figures for the same fiscal period and year-to-date period of the immediately preceding fiscal year and (b) the projections for such fiscal period and year-to-date period delivered pursuant to Section 5.5(b) or Section 9.12, as applicable, and shall be accompanied by an analysis and discussion of results (including a summary, discussion and analysis of all variances from the relevant budget) prepared by senior management of Loan Parties with respect thereto, satisfactory to Agent. The financial statements shall be accompanied by a Compliance Certificate signed by a Responsible Officer of Administrative Loan Party, which shall state that, based on an examination sufficient to permit such Responsible Officer to make an informed statement, no Default or Event of Default exists, or, if such is not the case, specifying such Default or Event of Default, its nature, when it occurred, whether it is continuing and the steps being taken by Loan Parties with respect to the events giving risk to such Default or Event of Default and, such Compliance Certificate shall have appended thereto calculations which set forth Loan Parties' compliance with the requirements or restrictions imposed by Sections 6.8 and 7.6.

9.10 Notices re Equity Holders.

Furnish promptly to Agent with copies of such financial statements, reports and returns as each Loan Party and their Subsidiaries shall send to its equity holders.

9.11 Additional Information.

Furnish promptly to Agent or any requesting Lender with such additional information as Agent or such Lender shall reasonably request in order to enable Agent or such Lender to determine whether Loan Parties are in compliance with the terms, covenants, provisions and conditions of this Agreement and the Other Documents.

9.12 Projected Operating Budget.

Furnish Agent, no later than fifteen (15) days after the beginning of each Loan Party's fiscal years, commencing with Loan Party's fiscal year ending April 30, 2021, a month by month projected operating budget and cash flow of Loan Parties and their Subsidiaries on a consolidated and consolidating basis for such fiscal year (including an income statement for each month and a balance sheet as at the end of the last month in each fiscal quarter), such projections to be accompanied by a certificate signed by a Responsible Officer of Administrative Loan Party to the effect that such projections have been prepared in good faith on the basis of sound financial planning practice consistent with past budgets and financial statements and that such Responsible Officer has no reason to question the reasonableness of any material assumptions on which such projections were prepared.

9.13 Variances From Operating Budget.

Furnish Agent, concurrently with the delivery of the financial statements referred to in Section 9.7, Section 9.8 and Section 9.9, or more frequently if requested by Agent, a written report summarizing all material variances from budgets submitted by Loan Parties pursuant to Section 9.12 and a discussion and analysis by management with respect to such variances.

9.14 Notice of Governmental Body Items.

Furnish Agent with prompt (and, in any event, not more than five (5) Business Days) notice of (a) any lapse or other termination of any Consent issued to any Loan Party or any Subsidiary of any Loan Party by any Governmental Body or any other Person that is material to the operation of any Loan Party's or such Subsidiaries' business, (b) any refusal by any Governmental Body or any other Person to renew or extend any such Consent; and (c) copies of any periodic or special reports filed by any Loan Party or any Subsidiary of any Loan Party with any Governmental Body or Person, if such reports indicate any material change in the business, operations, affairs or condition of any Loan Party or any such Subsidiary, or if copies thereof are requested by Agent or any Lender, (d) copies of any material notices and other communications from any Governmental Body or Person which specifically relate to any Loan Party or any Subsidiary of any Loan Party and (e) any federal, state, local or other income tax return of any Loan Party or Subsidiary that has been filed becoming the subject of an audit.

9.15 ERISA Notices and Requests.

Furnish Agent with immediate written notice in the event that (a) any Loan Party, any Subsidiary of any Loan Party or any member of the Controlled Group knows or has reason to know that a Termination Event has occurred, together with a written statement describing such Termination Event and the action, if any, which such Loan Party, such Subsidiary of any Loan Party or member of the Controlled Group has taken, is taking, or proposes to take with respect thereto and, when known, any action taken or threatened by the IRS, Department of Labor or PBGC with respect thereto, (b) any Loan Party, any Subsidiary of any Loan Party or any member of the Controlled Group knows or has reason to know that a prohibited transaction (as defined in Sections 406 of ERISA and 4975 of the Code) has occurred, together with a written statement describing such transaction and the action which such Loan Party, such Subsidiary of any Loan Party or any member of the Controlled Group has taken, is taking or proposes to take with respect thereto, (c) a funding waiver request has been filed with respect to any Title IV Plan together with all communications received by any Loan Party, any Subsidiary of any Loan Party or any member of the Controlled Group with respect to such request, (d) any increase in the benefits of any existing Title IV Plan or the establishment of any new Title IV Plan or the commencement of contributions to any Title IV Plan to which any Loan Party, any Subsidiary of any Loan Party or any member of the Controlled Group was not previously contributing shall occur, (e) any Loan Party, any

Subsidiary of any Loan Party or any member of the Controlled Group shall receive from the PBGC a notice of intention to terminate a Title IV Plan or to have a trustee appointed to administer a Title IV Plan, together with copies of each such notice, (f) any Loan Party, any Subsidiary of any Loan Party or any member of the Controlled Group shall receive any favorable or unfavorable determination letter from the IRS regarding the qualification of a Title IV Plan, together with copies of each such letter; (g) any Loan Party, any Subsidiary of any Loan Party or any member of the Controlled Group shall receive a notice regarding the imposition of withdrawal liability, together with copies of each such notice; (h) any Loan Party, any Subsidiary of any Loan Party or any member of the Controlled Group shall fail to make a required installment or any other required payment under Section 412 of the Code on or before the due date for such installment or payment; (i) any Loan Party, any Subsidiary of any Loan Party or any member of the Controlled Group knows that a (i) Multiemployer Plan has been terminated, (ii) the administrator or plan sponsor of a Multiemployer Plan intends to terminate a Multiemployer Plan, or (iii) the PBGC has instituted or will institute proceedings under Section 4042 of ERISA to terminate a Multiemployer Plan.

9.16 Notice of Change in Management, Etc.

Furnish Agent with prompt (and, in any event, not more than five (5) Business Days) notice of (a) any person becoming after the date hereof the chief executive officer or chief financial officer of any Loan Party, (b) any change by Loan Parties in their registered accountant or their accounting or reporting practices, or (c) the imposition of any Lien upon any asset or property of Loan Parties having a value in excess of $250,000 arising from any failure by any Loan Party or any of its Subsidiaries or Affiliates to pay any Taxes when due.

9.17 Additional Documents.

Execute and deliver to Agent, upon request, such documents and agreements as Agent may, from time to time, request in its Permitted Discretion from any Loan Party to carry out the purposes, terms or conditions of this Agreement and the Other Documents.

10. EVENTS OF DEFAULT.

The occurrence of any one or more of the following events shall constitute an “Event of Default”:

10.1 Failure by any Loan Party to pay (a) any principal or interest payment when due and payable hereunder (including, without limitation, any excess balance of Advances and Letters of Credit required by Section 2.6), and (b) any other Obligations within three (3) days of when such Obligations are due and payable, whether at maturity or by reason of acceleration pursuant to the terms of this Agreement or any Other Document;

10.2 Failure by Loan Parties to perform, keep or observe:

(a) any provision of Sections 2.6, 4.9, 4.10, 4.14(h), 6.8, 7, 9.2(a), 9.2(b), 9.2(c), 9.5(a), 9.7, 9.8, or 9.9;

(b) any provision of Sections 4.2, 9.2 (other than Sections specified in the foregoing clause (a)), 9.4, 9.5, 9.12 or 9.13, which is not cured within five (5) days after the date thereof; provided, that, such five (5) day period shall not apply in the case of any failure to observe any such provision which is not capable of being cured at all; or

(c) any other provision of this Agreement or any provision of any Other Document (to the extent such breach is not otherwise embodied in any other provision of this Section 10 for which a different grace or cure period is specified or which constitute an immediate Event of Default under this Agreement or the Other Documents), which is not cured within thirty (30) days after the date thereof; provided, that, such thirty (30) day period shall not apply in the case of any failure to observe any such provision which is not capable of being cured at all;

10.3 Any representation or warranty made or deemed made by any Loan Party in this Agreement or any Other Document or in any certificate, document or financial or other statement furnished at any time in connection herewith or therewith shall prove to have been misleading in any material respect (without duplication of any materiality qualifiers already set forth herein) on the date when made or deemed to have been made;

10.4 Except for Permitted Encumbrances, issuance of a notice of Lien, levy, assessment, injunction, attachment or similar process (including any trustee process) against a material portion of any Loan Party's or any Subsidiary of any Loan Party's property which is not stayed or bonded pending appeal or lifted within sixty (60) days;

10.5 Any equitable or other non-monetary judgment or judgments are rendered that could reasonably be expected to result in a Material Adverse Effect, or any judgment or judgments for payment of money are rendered or judgment Liens for payment of money filed against one or more Loan Parties or Subsidiaries of Loan Parties for an amount, individually or in the aggregate, in excess of $2,000,000, which within sixty (60) days of such rendering or filing is not either satisfied, stayed or discharged of record; or any action is taken to enforce any Lien over the assets of any Loan Party (or any analogous procedure or step is taken in any jurisdiction) for an amount, individually or in the aggregate, in excess of $2,000,000;

10.6 Any Loan Party or any Subsidiary of any Loan Party shall (a) apply for, consent to or suffer the appointment of, or the taking of possession by, a receiver, custodian, trustee, liquidator or similar fiduciary of itself or of all or a substantial part of its property, (b) admit in writing its inability, or be generally unable, to pay its debts as they become due or cease operations of its present business, (c) make a general assignment for the benefit of creditors, (d) commence a voluntary case under any state, federal or other bankruptcy laws (as now or hereafter in effect), (e) be adjudicated a bankrupt or insolvent, or any writ or warrant of attachment or execution or similar process is issued or levied against all or any material part of the property of any such Person and is not released, vacated or fully bonded within thirty (30) days after its issuance or levy; or, (f) file a petition seeking to take advantage of any other law providing for the relief of debtors, (g) acquiesce to, or fail to have dismissed, within sixty (60) days, any petition filed against it in any involuntary case under such bankruptcy laws, or (h) take any action for the purpose of effecting any of the foregoing;

10.7 Any Lien created hereunder or provided for hereby or under any Other Document in any Collateral having a value in excess of $500,000 for any reason ceases to be or is not a valid and perfected Lien having a first priority interest (except for Permitted Encumbrances having priority by operation of law);

10.8 Any default under any documents, instruments or agreements to which any Loan Party, any Subsidiary or any Loan Party is a party or by which any of its properties is bound, relating to any Indebtedness (other than the Obligations) individually or in aggregate in excess of $1,000,000, which default continues for more than the applicable cure period, if any, with respect thereto;

10.9 [Reserved];

10.10 [Reserved];

10.11 Any Change of Control shall occur;

10.12 Any material provision hereof or of any of the Other Documents shall for any reason cease to be valid, binding and enforceable with respect to any party hereto or thereto in accordance with its terms, or any such party (other than Agent and Lenders) shall challenge the enforceability hereof or thereof, or shall assert in writing, or take any action or fail to take any action based on the assertion that any material provision hereof or of any of the Other Documents has ceased to be or is otherwise not valid, binding or enforceable in accordance with its terms, or any Lien provided for herein or in any of the Other Documents shall cease to be a valid and perfected first priority Lien (except for Permitted Encumbrances having priority by operation of law) in any of the Collateral purported to be subject thereto (except as otherwise permitted herein or therein);

10.13 The indictment by any Governmental Body of any Loan Party or any Subsidiary of any Loan Party of which any Loan Party, such Subsidiary or Agent receives notice, in either case, as to which there is a reasonable possibility of an adverse determination, in the good faith determination of Agent, under any criminal statute, or commencement or threatened commencement of criminal proceedings against such Loan Party or such Subsidiary, pursuant to which criminal statute or proceedings the penalties or remedies sought or available include forfeiture of (a) any of the Collateral having a value in excess of $500,000, or (b) any other property of any Borrower, or of Loan Parties and their Subsidiaries taken as a whole, which is necessary or material to the conduct of any Borrower's business or Loan Parties and their Subsidiaries taken as a whole;

10.14 Any material portion of the Collateral shall be seized or taken by a Governmental Body, or any Loan Party or the title and rights of any Loan Party in and to any material portion of the Collateral shall have become the subject matter of litigation which might, in the opinion of Agent, upon final determination, result in impairment or loss of the security provided by this Agreement or the Other Documents, or there shall occur an uninsured casualty event with respect to Collateral having an aggregate value in excess of $500,000;

10.15 The operations of any Loan Party's or any Subsidiary's facilities is interrupted in any material respect by virtue of any determination, ruling, decision, decree or order of any court or Governmental Authority of competent jurisdiction (other than as a result of a pandemic), and such interruption could reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect on the Loan Parties taken as a whole;

10.16 Except as otherwise expressly permitted hereunder, any Loan Party shall take any action, or shall make a determination, whether or not yet formally approved by any Loan Party's management or board of directors, to (a) suspend the operation of all or a material portion of its business in the ordinary course, (b) suspend the payment of any material obligations in the ordinary course or suspend the performance under material contracts in the ordinary course, (c) solicit proposals for the liquidation of, or undertake to liquidate, all or a material portion of its assets, or (d) solicit proposals for the employment of, or employ, an agent or other third party to conduct a program of closings, liquidations, or "Going-Out-Of-Business" sales of any material portion of its business or

10.17 An event or condition specified in Section 7.16 or Section 9.15 shall occur or exist with respect to any Plan and, as a result of such event or condition, together with all other such events or conditions, any Loan Party or any member of the Controlled Group shall incur a liability to a Plan or the PBGC (or both) in excess of $2,500,000.

11. LENDERS' RIGHTS AND REMEDIES AFTER EVENT OF DEFAULT.

11.1 Rights and Remedies.

Upon the occurrence of (a) an Event of Default pursuant to Section 10.6, all Obligations shall be immediately due and payable and this Agreement and the obligation of Lenders to make Advances shall be deemed terminated, (b) any of the other Events of Default and at any time thereafter, Agent may (and at the direction of Required Lenders, shall) declare that all or any portion of the Obligations shall be immediately due and payable and Agent or Required Lenders shall have the right to terminate this Agreement and to terminate or limit the obligation of Lenders to make Advances (including, without limitation, reducing the lending formulas or amounts of Revolving Advances and Letters of Credit available to Borrowers), and (c) a filing of a petition against any Loan Party in any involuntary case under any state, federal or other bankruptcy laws, the obligation of Lenders to make Advances hereunder and of Issuer to provide Letters of Credit hereunder shall be terminated other than as may be required by an appropriate order of the bankruptcy court having jurisdiction over any Loan Party. Upon the occurrence and during the continuance of any Event of Default, Agent shall have the right to exercise any and all other rights and remedies provided for herein, under the UCC and at law or equity generally, including, without limitation, the right to foreclose the Liens granted herein and in the Other Documents and to realize upon any Collateral by any available judicial procedure and/or to take possession of and sell any or all of the Collateral with or without judicial process. Agent may enter any Loan Party's premises or other premises without legal process and without incurring liability to any Loan Party therefor, and Agent may thereupon, or at any time thereafter, in its discretion, without notice or demand, take the Collateral and remove the same to such place as Agent may deem advisable and Agent may require Loan Parties to make the Collateral available to Agent at a convenient place. With or

without having the Collateral at the time or place of sale, Agent may sell the Collateral, or any part thereof, at public or private sale, at any time or place, in one or more sales, at such price or prices, and upon such terms, either for cash, credit or future delivery, as Agent may elect. Except as to that part of the Collateral which is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Agent shall give Loan Parties reasonable notification of such sale or sales, it being agreed that in all events written notice mailed to Loan Parties at least ten (10) days prior to such sale or sales is reasonable notification. At any public sale Agent or any Lender may bid for and become the purchaser, and Agent, any Lender or any other purchaser at any such sale thereafter shall hold the Collateral sold absolutely free from any claim or right of whatsoever kind, including any equity of redemption and such right and equity are hereby expressly waived and released by each Loan Party. Agent may specifically disclaim any warranties of title or the like at any sale of Collateral. In connection with the exercise of the foregoing remedies, Agent shall have the right to use all of each Loan Party's Intellectual Property and other proprietary rights (subject to any licenses and other usage rights therein granted in favor of other Persons) which are used in connection with (i) Inventory for the purpose of disposing of such Inventory and (ii) Equipment for the purpose of completing the manufacture of unfinished goods, in each case without any obligation to compensate any Loan Party therefor.

11.2 Waterfall.

(a) So long as no Waterfall Event has occurred and is continuing and except as otherwise provided with respect to Defaulting Lenders, all principal and interest payments, shall be apportioned ratably among Lenders (according to their Commitment Percentages thereof) and all payments of fees, costs and expenses (other than fees, costs or expenses that are for Agent's or any Lender's separate account) shall be apportioned ratably among Lenders according to their Commitment Percentages thereof (it being understood that all costs and expenses due and owing to Agent, and all principal and interest of Advances (including Protective Advances) made by Agent and not reimbursed by Lenders, shall first be paid in full before any such payments are made to any of Lenders). Payments for the purposes of this clause (a) shall include proceeds of Collateral received by Agent.

(b) At any time that a Waterfall Event has occurred and is continuing and except as otherwise provided with respect to Defaulting Lenders, all payments remitted to Agent and all proceeds of Collateral received by Agent shall be applied to the Obligations as follows (it being understood that in the event that any Lender, as opposed to Agent, receives such payment or proceeds from any source other than Agent, such Lender shall remit such payment or proceeds, as applicable to Agent for application to the Obligations as provided in this Agreement): ***first***, to the Obligations consisting of costs and expenses (including attorneys' fees and expenses) incurred by Agent in connection with this Agreement or any Other Document and to the principal and interest of Advances (including Protective Advances and Swingline Loan Advances) made by Agent and not reimbursed by Lenders until paid in full; ***second***, pro rata to interest due to Lenders upon any of the Advances and to the Obligations consisting of costs and expenses (including attorneys' fees and expenses) incurred by Lenders in connection with (and to the extent payable or reimbursable to Lenders under) this Agreement or any Other Document according to their respective Commitment Percentages thereof until paid in full; ***third***, pro rata to fees due to Agent and Lenders in connection with this Agreement or any Other Document according to their respective

Commitment Percentages thereof until paid in full; *fourth*, to the principal of the Swingline Loan Advances made by the Swingline Lender; *fifth*, (i) pro rata to the principal of the Advances made by each Lender according to their respective Commitment Percentages thereof and (ii) pro rata to Swap Obligations owed to any Affiliate Counterparty (iii) pro rata to any other Bank Product Obligations made by each Bank Product Provider until paid in full, but only to the extent of any Reserves then maintained by Agent with respect to such Bank Product Obligations, and (iv) after an Event of Default pursuant to Section 10.6 or if requested by Agent or Required Lenders after the occurrence of any other Event of Default, on a pro rata basis, to furnish to Agent cash collateral in an amount not less than one hundred five (105%) percent of the aggregate undrawn amount of all Letters of Credit, such cash collateral arrangements to be in form and substance reasonably satisfactory to Agent until paid in full; and *sixth*, pro rata to any other Obligations until paid in full.

(c) If any deficiency shall arise, Loan Parties shall remain liable to Agent and Lenders therefor. If it is determined by an authority of competent jurisdiction that a disposition by Agent did not occur in a commercially reasonably manner, Agent may obtain a deficiency judgment for the difference between the amount of the Obligation and the amount that a commercially reasonable sale would have yielded. Agent will not be considered to have offered to retain the Collateral in satisfaction of the Obligations unless Agent has entered into a written agreement with Loan Party to that effect.

11.3 Agent's Discretion.

Agent shall have the right in its Permitted Discretion to determine which rights, Liens or remedies Agent may at any time pursue, relinquish, subordinate, or modify or to take any other action with respect thereto and such determination will not in any way modify or affect any of Agent's or Lenders' rights hereunder.

11.4 Setoff.

In addition to any other rights and remedies which Agent, any Lender or any Issuer may have under applicable law, this Agreement or any Other Document, upon the occurrence and during the continuance of an Event of Default hereunder, Agent, such Lender, such Issuer and their Affiliates shall have a right to setoff and apply any Loan Party's property held by Agent, such Lender, such Issuer or such Affiliate to reduce the Obligations, all without notice to Loan Parties. No Lender, Issuer or Affiliate shall setoff or apply such property without the prior written consent of Agent.

11.5 Rights and Remedies not Exclusive.

The enumeration of the foregoing rights and remedies is not intended to be exhaustive and the exercise of any right or remedy shall not preclude the exercise of any other right or remedies provided for herein or otherwise provided by law, all of which shall be cumulative and not alternative.

11.6 Commercial Reasonableness.

To the extent that applicable law imposes duties on Agent or any Lender to exercise remedies in a commercially reasonable manner (which duties cannot be waived under such law), each Loan Party acknowledges and agrees that it is not commercially unreasonable for Agent or any Lender (a) to fail to incur expenses reasonably deemed necessary or appropriate by Agent or any Lender to prepare Collateral for disposition or otherwise to complete raw material or work in process into finished goods or other finished products for disposition, (b) to fail to obtain third party consents for access to Collateral to be disposed of, or to obtain or, if not required by other law, to fail to obtain consents of any Governmental Body or other third party for the collection or disposition of Collateral to be collected or disposed of, (c) to fail to exercise collection remedies against account debtors, secondary obligors or other Persons obligated on Collateral or to remove Liens or encumbrances on or any adverse claims against Collateral, (d) to exercise collection remedies against account debtors and other Persons obligated on Collateral directly or through the use of collection agencies and other collection specialists, (e) to advertise dispositions of Collateral through publications or media of general circulation, whether or not the Collateral is of a specialized nature, (f) to contact other Persons, whether or not in the same business as any Loan Party, for expressions of interest in acquiring all or any portion of the Collateral, (g) to hire one or more professional auctioneers to assist in the disposition of Collateral, whether or not the collateral is of a specialized nature, (h) to dispose of Collateral by utilizing Internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capability of doing so, or that match buyers and sellers of assets, (i) to dispose of assets in wholesale rather than retail markets, (j) to disclaim disposition warranties, (k) to purchase insurance or credit enhancements to insure Agent or Lenders against risks of loss, collection or disposition of Collateral or to provide to Agent or Lenders a guaranteed return from the collection or disposition of Collateral, or (l) to the extent deemed appropriate by Agent, to obtain the services of other brokers, investment bankers, consultants and other professionals to assist Agent in the collection or disposition of any of the Collateral. Each Loan Party acknowledges that the purpose of this Section is to provide non-exhaustive indications of what actions or omissions by Agent or any Lender would not be commercially unreasonable in the exercise by Agent or any Lender of remedies against the Collateral and that other actions or omissions by Agent or any Lender shall not be deemed commercially unreasonable solely on account of not being indicated in this Section. Without limitation of the foregoing, nothing contained in this Section shall be construed to grant any rights to any Loan Party or to impose any duties on Agent or Lenders that would not have been granted or imposed by this Agreement or by applicable law in the absence of this Section.

12. WAIVERS AND JUDICIAL PROCEEDINGS.

12.1 Waiver of Notice.

Each Loan Party hereby waives notice of non-payment of any of the Receivables, demand, presentment, protest and notice thereof with respect to any and all instruments, notice of acceptance hereof, notice of loans or advances made, credit extended, Collateral received or delivered, or any other action taken in reliance hereon, and all other demands and notices of any description, except such as are expressly provided for herein or as otherwise by law.

12.2 Delay.

No delay or omission on Agent's or any Lender's part in exercising any right, remedy or option shall operate as a waiver of such or any other right, remedy or option or of any Default or Event of Default.

12.3 Jury Waiver.

EACH PARTY TO THIS AGREEMENT HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (A) ARISING UNDER THIS AGREEMENT OR ANY OTHER DOCUMENT, OR (B) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO THIS AGREEMENT OR ANY OTHER DOCUMENT, OR THE TRANSACTIONS RELATED HERETO OR THERETO IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE AND EACH PARTY HEREBY CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY, AND THAT ANY PARTY TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENTS OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

12.4 Waiver of Counterclaims.

Each Loan Party waives all rights to interpose any claims, deductions, setoffs or counterclaims of any nature (other then compulsory counterclaims) in any action or proceeding with respect to this Agreement, the Obligations, the Collateral or any matter arising therefrom or relating hereto or thereto.

13. EFFECTIVE DATE AND TERMINATION.

13.1 Term.

This Agreement, which shall inure to the benefit of and shall be binding upon the respective successors and permitted assigns of each Loan Party, Agent and each Lender, shall become effective on the date hereof and shall continue in full force and effect until the earliest of (a) August 24, 2025 (the "Original Term"), (b) the acceleration of all Obligations pursuant to the terms of this Agreement or (c) the date on which this Agreement shall be terminated in accordance with the provisions hereof or by operation of law (the "Termination Date"). Loan Parties may terminate this Agreement at any time upon sixty (60) days' prior written notice upon Payment in Full of all of the Obligations.

13.2 Termination.

The termination of the Agreement shall not affect any Loan Party's, Agent's or any Lender's rights, or any of the Obligations arising or incurred prior to the effective date of such termination, and each of the provisions of this Agreement and of the Other Documents shall continue to be fully operative until all of the Obligations have been Paid in Full. The Liens and rights granted to Agent and Lenders hereunder and the financing statements filed hereunder shall continue in full force and effect, notwithstanding the termination of this Agreement or the fact that Borrowers' Account may from time to time be temporarily in a zero or credit position, until all of the Obligations have been Paid in Full. Accordingly, each Loan Party waives any rights which it may have under Section 9-513 of the UCC to demand the filing of termination statements with respect to the Collateral, and Agent shall not be required to send such termination statements to each Loan Party, or to file them with any filing office, until all of the Obligations have been Paid in Full. All representations, warranties, covenants, waivers and agreements contained herein and in the Other Documents shall survive termination hereof until all of the Obligations have been Paid in Full.

14. REGARDING AGENT.

14.1 Appointment.

Each Lender hereby designates TD Bank to act as Agent for such Lender under this Agreement and the Other Documents. Each Lender hereby irrevocably authorizes Agent to take such action on its behalf under the provisions of this Agreement and the Other Documents and to exercise such powers and to perform such duties hereunder and thereunder as are specifically delegated to or required of Agent by the terms hereof and thereof and such other powers as are reasonably incidental thereto. Agent may perform any of its duties hereunder by or through its agents or employees. As to any matters not expressly provided for by this Agreement (including without limitation, collection of the Notes) Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Required Lenders, and such instructions shall be binding; provided, however, that, Agent shall not be required to take any action which exposes Agent to liability or which is contrary to this Agreement or the Other Documents or applicable law unless Agent agrees to do so in its Permitted Discretion and is furnished with an indemnification satisfactory to Agent in its Permitted Discretion with respect thereto.

14.2 Nature of Duties.

Agent shall have no duties or responsibilities except those expressly set forth in this Agreement and the Other Documents. None of Agent, any Lender, or any Issuer nor any of their respective officers, directors, employees or agents shall be (a) liable for any action taken or omitted by them as such under this Agreement or any Other Document or in connection herewith or therewith, unless caused by their gross (not mere) negligence or willful misconduct, as determined pursuant to a final, non-appealable order of a court of competent jurisdiction, or (b) responsible in any manner for any recitals, statements, representations or warranties made by any Loan Party or any officer thereof contained in this Agreement, or in any of the Other Documents or in any certificate, report, statement or other document referred to or provided for in, or received by Agent under or in connection with, this Agreement or any of the Other Documents or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement, or any of the Other Documents or for any failure of Loan Party to perform its obligations hereunder. Agent

shall not be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any of the Other Documents, or to inspect or appraise the properties, books or records of any Loan Party or any other Person. The duties of Agent in respect of the Advances shall be mechanical and administrative in nature; Agent shall not have by reason of this Agreement or any Other Document a fiduciary relationship in respect of any Secured Party, nor shall Agent constitute a trustee in respect of any Secured Party; and nothing in this Agreement or any Other Document, expressed or implied, is intended to or shall be so construed as to impose upon Agent any obligations in respect of this Agreement or any Other Document except as expressly set forth herein or therein.

14.3 Lack of Reliance on Agent and Resignation.

(a) Independently and without reliance upon Agent, any Issuer or any other Lender, each Lender has made and shall continue to make (i) its own independent investigation of the financial condition and affairs of each Loan Party and each other Person in connection with the making and the continuance of the Advances hereunder and the taking or not taking of any action in connection with this Agreement or any Other Document, and (ii) its own appraisal of the creditworthiness of each Loan Party and each other Person. Agent shall have no duty or responsibility, either initially or on a continuing basis, to provide any Lender with any credit or other information with respect thereto, whether coming into its possession before making of the Advances or at any time or times thereafter except to the extent, if any, expressly required in this Agreement. Agent shall not be responsible to any Lender for any recitals, statements, information, representations or warranties herein or in any agreement, document, certificate or a statement delivered in connection with or for the execution, effectiveness, genuineness, validity, enforceability, perfection, priority, collectability or sufficiency of this Agreement or any Other Document, the Collateral, or of the financial condition of any Loan Party or any other Person, or be required to make any inquiry concerning either the performance or observance of any of the terms, provisions or conditions of this Agreement, the Note, the Other Documents, the Collateral, or the financial condition of any Loan Party or any other Person, or the existence of any Event of Default or any Default.

(b) Agent may resign on thirty (30) days' written notice to each of Lenders and Administrative Loan Party and upon such resignation, the Required Lenders will promptly designate a successor Agent with the consent to Administrative Loan Party, which consent of Administrative Loan Party shall not be unreasonably withheld, conditioned or delayed (provided, that, if an Event of Default has occurred and is continuing, no such consent of Administrative Loan Party shall be required). If no such successor Agent is appointed at the end of such thirty (30) day period, Agent may designate one of Lenders as a successor Agent, and shall give Administrative Loan Party prompt notice of such appointment. If no Lender accepts such designation, Required Lenders shall serve as the successor Agent, and Agent shall remain entitled to so resign.

(c) Any such successor Agent shall succeed to the rights, powers and duties of Agent, and the term "Agent" shall mean such successor agent effective upon its appointment, and the former Agent's powers and duties as Agent shall be terminated, without any other or further act or deed on the part of such former Agent. After any Agent's resignation as Agent, the provisions of this Section 14, Section 16.5 and Section 16.10 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent under this Agreement.

14.4 Certain Rights of Agent.

If Agent shall request instructions from Lenders with respect to any act or action (including failure to act) in connection with this Agreement or any Other Document, Agent shall be entitled to refrain from such act or taking such action unless and until Agent shall have received instructions from the Required Lenders; and Agent shall not incur liability to any Person by reason of so refraining. Without limiting the foregoing, Lenders shall not have any right of action whatsoever against Agent as a result of its acting or refraining from acting hereunder in accordance with the instructions of the Required Lenders.

14.5 Reliance.

Agent shall be entitled to rely, and shall be fully protected in relying, upon any note, writing, resolution, notice, statement, certificate, telex, teletype or facsimile message, cablegram, email, order or other document or telephone message believed by it to be genuine and correct and to have been signed, sent or made by the proper Person, and, with respect to all legal matters pertaining to this Agreement and the Other Documents and its duties hereunder, upon advice of counsel selected by it. Agent may employ agents and attorneys-in-fact and shall not be liable for the default or misconduct of any such agents or attorneys-in-fact selected by Agent with reasonable care.

14.6 Notice of Default.

Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default hereunder or under the Other Documents, unless Agent has received notice from a Lender or Administrative Loan Party referring to this Agreement or the Other Documents, describing such Default or Event of Default and stating that such notice is a "notice of default". In the event that Agent receives such a notice, Agent shall give notice thereof to Lenders. Subject to Section 14.1, Agent shall take such action with respect to such Default or Event of Default (including, without limitation, the institution of the Default Rate pursuant to Section 3.1) as shall be reasonably directed by the Required Lenders; provided, that, unless and until Agent shall have received such directions, Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default (including, without limitation, the institution of the Default Rate pursuant to Section 3.1) as it shall deem advisable in the best interests of Lenders.

14.7 Indemnification.

To the extent Agent and/or Issuer, as applicable, is not timely reimbursed and indemnified by Loan Parties, each Lender promptly will reimburse and indemnify Agent and each Issuer and each of their respective officers, directors, Affiliates, employees, representatives and agents in proportion to its respective Commitment Percentage from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses and disbursements of any kind or nature whatsoever (including, without limitation, fees and

disbursements of counsel) arising from any action, litigation, proceeding, dispute or investigation which may be imposed on, incurred by, or asserted against Agent or such Issuer in any litigation, proceeding, dispute or investigation instituted or conducted by any Governmental Body or any other Person with respect to any aspect of, or any transaction contemplated by, or referred to in, or any matter related to, this Agreement or the Other Documents, on in connection with performing any of its duties, functions or activities under this Agreement or under any Other Document, or in any way relating to or arising out of this Agreement or any Other Document whether or not Agent or any Issuer is a party thereto, except to the extent that any of the foregoing arises out of the gross (not mere) negligence or willful misconduct of Agent or such Issuer, as determined pursuant to a final, non-appealable order of a court of competent jurisdiction. Nothing contained in this Section 14.7 shall in any manner limit, impair, waive or otherwise affect Loan Parties' reimbursement and indemnification Obligations at any time owing to Agent.

14.8 Agent in its Individual Capacity.

With respect any Advances made by Agent, except as otherwise provided in this Agreement, the Advances made by Agent shall have the same rights and powers hereunder as any other Lender and as if it were not performing the duties as Agent specified herein. Agent may engage in business with any Loan Party as if it were not performing the duties specified herein, and may accept fees and other consideration from any Loan Party for services in connection with this Agreement or otherwise without having to account for the same to Lenders.

14.9 Actions in Concert.

Anything in this Agreement to the contrary notwithstanding, each Lender hereby agrees with each other Lender and Agent that (a) Agent shall have the exclusive right to enforce and exercise all rights and remedies of Agent and Lenders hereunder and under the Other Documents at all times following the occurrence and during the continuance of an Event of Default, on behalf of Agent and all Lenders, subject to the direction of Required Lenders as provided for herein, and (b) no Lender shall take any action to protect or enforce its rights arising out of this Agreement or the Other Documents (including exercising any rights of setoff or compensation) without first obtaining the prior written consent of Agent or Required Lenders, it being the intent of Lenders that any such action to protect or enforce rights under this Agreement and the Notes shall be taken in concert and at the direction or with the consent of Agent or Required Lenders.

14.10 Intercreditor Agreements/Subordination Agreements.

The Lenders, Issuer and any other holder of any Obligations acknowledge that the exercise of certain of the rights and remedies of Agent hereunder and under the Other Documents may be subject to the provisions of a subordination or intercreditor agreement pertaining to any Subordinated Debt. Each Lender and Issuer irrevocably (a) consents to the terms and conditions of any subordination or intercreditor agreement pertaining to any Subordinated Debt, (b) authorizes and directs Agent to execute and deliver any subordination or intercreditor agreement pertaining to any other Subordinated Debt, in each case, on behalf of such Lender or such Issuer and to take all actions (and execute all documents) required (or deemed advisable) by it in accordance with the terms of the Intercreditor Agreement and any other subordination or

intercreditor agreement pertaining to any other Subordinated Debt, in each case, and without any further consent, authorization or other action by such Lender or Issuer, (c) agrees that, upon the execution and delivery thereof, such Lender and Issuer will be bound by the provisions of a subordination or intercreditor agreement pertaining to any other Subordinated Debt as if it were a signatory thereto and will take no actions contrary to the provisions of such subordination or intercreditor agreement pertaining to any other Subordinated Debt, and (d) agrees that no Lender or Issuer shall have any right of action whatsoever against Agent as a result of any action taken by Agent pursuant to this Section or in accordance with the terms of any subordination or intercreditor agreement pertaining to any other Subordinated Debt Each Lender hereby further irrevocably authorizes and directs Agent to enter into such amendments, supplements or other modifications to any subordination or intercreditor agreement pertaining to any other Subordinated Debt as are approved by Agent and the Required Lenders (except as to any amendment that expressly requires the approval of all Lenders as set forth in Section 16.2(b)); provided, that, Agent may execute and deliver such amendments, supplements and modifications thereto as are contemplated by any subordination or intercreditor agreement pertaining to any other Subordinated Debt in connection with any extension, renewal, refinancing or replacement of this Agreement or any refinancing of the Obligations, in each case, on behalf of such Lender and Issuer and without any further consent, authorization or other action by any Lender or Issuer. Agent shall have the benefit of each of the provisions of Section 14 with respect to all actions taken by it pursuant to this Section 14.10 or in accordance with the terms of any subordination or intercreditor agreement pertaining to any other Subordinated Debt to the full extent thereof.

14.11 Delegation of Duties.

Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any Other Document by or through any one or more sub-agents appointed by Agent. Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Affiliates. The exculpatory provisions of this Section 14 shall apply to any such sub-agent and to the Affiliates of Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Agent.

14.12 Collateral and Guarantees.

Lenders irrevocably authorize Agent in its discretion to:

(a) release any Lien on any property granted to or held by the Agent under any Loan Document (i) upon termination of the Commitments and payment in full of all Obligations (other than contingent indemnification obligations for which no claim has been asserted) and the expiration, termination or Cash Collateralization of all Letters of Credit, (ii) that is sold or to be sold as part of or in connection with any sale permitted hereunder or under any other Loan Document, or (iii) if approved, authorized or ratified in writing by the Applicable Lenders in accordance with Section 10.01;

(b) subordinate any Lien on any property granted to or held by the Agent hereunder or under any Other Document to the holder of any Lien on such property that is permitted by clause (r) of the definition of Permitted Encumbrances; and

(c) release any Guarantor from its obligations under its Guarantee if such Person ceases to be a Subsidiary as a result of a transaction permitted hereunder.

14.13 Notice of Transfer.

Agent may deem and treat a Lender party to this Agreement as the owner of such Lender's portion of the Obligations for all purposes, unless and until, and except to the extent, an assignment shall have become effective as set forth in Section 16.3.

14.14 Reports and Financial Statements.

By signing this Agreement, each Lender:

(a) is deemed to have requested that the Agent furnish such Lender, promptly after they become available, copies of all Borrowing Base Certificates and financial statements required to be delivered by the Administrative Loan Party hereunder and all commercial finance examinations and appraisals of the Collateral received by Agent (collectively, the "Reports");

(b) expressly agrees and acknowledges that Agent makes no representation or warranty as to the accuracy of the Reports, and shall not be liable for any information contained in any Report;

(c) expressly agrees and acknowledges that the Reports are not comprehensive audits or examinations, that Agent or any other party performing any audit or examination will inspect only specific information regarding the Loan Parties and will rely significantly upon the Loan Parties' books and records, as well as on representations of the Loan Parties' personnel;

(d) agrees to keep all Reports confidential in accordance with the provisions of Section 16.16; and

(e) without limiting the generality of any other indemnification provision contained in this Agreement, agrees: (i) to hold Agent and any such other Lender preparing a Report harmless from any action the indemnifying Lender may take or conclusion the indemnifying Lender may reach or draw from any Report in connection with any loan or other financial accommodation that the indemnifying Lender has made or may make to the Borrowers, or the indemnifying Lender's participation in, or the indemnifying Lender's purchase of, any loan or other financial accommodation; and (ii) to pay and protect, and indemnify, defend, and hold Agent and any such other Lender preparing a Report harmless from and against, the claims, actions, proceedings, damages, costs, expenses, and other amounts (including attorney costs) incurred by Agent and any such other Lender preparing a Report as the direct or indirect result of any third parties who might obtain all or part of any Report through the indemnifying Lender.

14.15 Agency for Perfection.

Each Lender hereby appoints each other Lender as agent for the purpose of perfecting Liens for the benefit of Secured Parties, in assets which, in accordance with Article 9 of the UCC or any other applicable law or regulation of the United States can be perfected only by possession. Should any Lender (other than Agent) obtain possession of any such Collateral, such Lender shall notify the Agent thereof, and, promptly upon Agent's request therefor shall deliver such Collateral to Agent or otherwise deal with such Collateral in accordance with Agent's instructions.

14.16 Relation among Lenders.

Lenders are not partners or co-venturers, and no Lender shall be liable for the acts or omissions of, or (except as otherwise set forth herein in case of Agent) authorized to act for, any other Lender.

15. GUARANTEE.

15.1 Guarantee; Contribution Rights.

Each Guarantor hereby unconditionally guarantees, as a primary obligor and not merely as a surety, jointly and severally with each other Guarantor when and as due, whether at maturity, by acceleration, by notice of prepayment or otherwise, the due (whether at the stated maturity, by acceleration or otherwise) and punctual performance of all Obligations. Each payment made by any Guarantor pursuant to this Guarantee shall be made in lawful money of the United States in immediately available funds without offset, counterclaim or deduction of any kind.

Anything herein this Section 15 to the contrary notwithstanding, the maximum liability of each Guarantor this Section 15 shall in no event exceed the amount which can be guaranteed by such Guarantor under applicable federal and state laws relating to the insolvency of debtors (after giving effect to the right of contribution established in the following paragraph). It being understood that no amendments or other modifications hereto or to any Other Documents need to be made to implement the provisions of this paragraph and instead the implementation of the provisions of this paragraph shall occur automatically.

Each Guarantor hereby agrees that to the extent that a Guarantor shall have paid more than its proportionate share of any payment made hereunder, such Guarantor shall be entitled to seek and receive contribution from and against any other Guarantor hereunder which has not paid its proportionate share of such payment. Each Guarantor's right of contribution shall be subject to the terms and conditions of Section 15.9(d). The provisions of this paragraph shall in no respect limit the obligations and liabilities of any Guarantor to Agent and Lenders, and each Guarantor shall remain liable to Agent and Lenders for the full amount guaranteed by such Guarantor hereunder.

15.2 Waivers.

Each Guarantor hereby absolutely, unconditionally and irrevocably waives (a) promptness, diligence, notice of acceptance, notice of presentment of payment and any other notice hereunder, (b) demand of payment, protest, notice of dishonor or nonpayment, notice of the present and future amount of the Obligations and any other notice with respect to the Obligations, (c) any requirement that Agent or any Lender protect, secure, perfect or insure any Lien or any property subject thereto or exhaust any right or take any action against any other Loan Party, or any Person or any Collateral, (d) any other action, event or precondition to the enforcement hereof or the performance by each such Guarantor of the Obligations, (e) any defense arising by any lack of capacity or authority or any other defense of any Loan Party or any notice, demand or defense by reason of cessation from any cause of Obligations other than Payment in Full of all of the Obligations, (f) any defense that any other guarantee or security was or was to be obtained by Agent or any Lender, and (g) any other defense.

15.3 No Defense.

No invalidity, irregularity, voidableness, voidness or unenforceability of this Agreement or any Other Document or any other agreement or instrument relating thereto, or of all or any part of the Obligations or of any collateral security therefor shall affect, impair or be a defense hereunder.

15.4 Guarantee of Payment.

The Guarantee hereunder is one of payment and performance, not collection, and the obligations of each Guarantor hereunder are independent of the Obligations of the other Loan Parties, and a separate action or actions may be brought and prosecuted against any Guarantor to enforce the terms and conditions of this Section 15, irrespective of whether any action is brought against any other Loan Party or other Persons or whether any other Loan Party or other Persons are joined in any such action or actions. Each Guarantor waives any right to require that any resort be had by Agent or any Lender to any security held for payment of the Obligations or to any balance of any deposit account or credit on the books of Agent or any Lender in favor of any Loan Party or any other Person. No election to proceed in one form of action or proceedings, or against any Person, or on any Obligations, shall constitute a waiver of Agent's right to proceed in any other form of action or proceeding or against any other Person unless Agent has expressed any such right in writing. Without limiting the generality of the foregoing, no action or proceeding by Agent against any Loan Party under any document evidencing or securing Indebtedness of any Loan Party to Agent shall diminish the liability of any Guarantor hereunder, except to the extent Agent receives actual payment on account of Obligations by such action or proceeding, notwithstanding the effect of any such election, action or proceeding upon the right of subrogation of any Guarantor in respect of any Loan Party and/or otherwise.

15.5 Liabilities Absolute.

The liability of each Guarantor hereunder shall be absolute, unlimited and unconditional and shall not be subject to any reduction, limitation, impairment, discharge or termination for any reason, including, without limitation, any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any claim, defense or setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality or unenforceability of any Obligation or otherwise. Without limiting the generality of the foregoing, the obligations of each Guarantor shall not be discharged or impaired, released, limited or otherwise affected by:

(a) any change in the manner, place or terms of payment or performance, and/or any change or extension of the time of payment or performance of, release, renewal or alteration of, or any new agreements relating to any Obligation, any security therefor, or any liability incurred directly or indirectly in respect thereof, or any rescission of, or amendment, waiver or other modification of, or any consent to departure from, this Agreement or any Other Document, including any increase in the Obligations resulting from the extension of additional credit to Borrowers or otherwise;

(b) any sale, exchange, release, surrender, loss, abandonment, realization upon any property by whomsoever at any time pledged or mortgaged to secure, or howsoever securing, all or any of the Obligations, and/or any offset there against, or failure to perfect, or continue the perfection of, any Lien in any such property, or delay in the perfection of any such Lien, or any amendment or waiver of or consent to departure from any other guarantee for all or any of the Obligations;

(c) the failure of Agent or any Lender to assert any claim or demand or to enforce any right or remedy against Borrowers or any other Loan Party or any other Person under the provisions of this Agreement or any Other Document or any other document or instrument executed and delivered in connection herewith or therewith;

(d) any settlement or compromise of any Obligation, any security therefor or any liability (including any of those hereunder) incurred directly or indirectly in respect thereof or hereof, and any subordination of the payment of all or any part thereof to the payment of any obligation (whether due or not) of any Loan Party to creditors of any Loan Party other than any other Loan Party;

(e) any manner of application of Collateral, or proceeds thereof, to all or any of the Obligations, or any manner of sale or other disposition of any Collateral for all or any of the Obligations or any other assets of any Loan Party; and

(f) any other agreements or circumstance of any nature whatsoever that may or might in any manner or to any extent vary the risk of any Guarantor, or that might otherwise at law or in equity constitute a defense available to, or a discharge of, the Guarantee hereunder and/or the obligations of any Guarantor, or a defense to, or discharge of, any Loan Party or any other Person or party hereto or the Obligations or otherwise with respect to the Advances, Letters of Credit or other financial accommodations to Borrowers pursuant to this Agreement and/or the Other Documents or otherwise.

15.6 Waiver of Notice.

Except as otherwise contemplated hereunder, Agent shall have the right to do any of the above without notice to or the consent of any Guarantor and each Guarantor expressly waives any right to notice of, consent to, knowledge of and participation in any agreements relating to any of the above or any other present or future event relating to Obligations whether under this Agreement or otherwise or any right to challenge or question any of the above and waives any defenses of such Guarantor which might arise as a result of such actions.

15.7 Agent's Discretion.

Agent may at any time and from time to time (whether prior to or after the revocation or termination of this Agreement) without the consent of, or notice to, any Guarantor, and without incurring responsibility to any Guarantor or impairing or releasing the Obligations, apply any sums by whomsoever paid or howsoever realized to any Obligations regardless of what Obligations remain unpaid.

15.8 Reinstatement.

The Guarantee provisions herein contained shall continue to be effective or be reinstated, as the case may be, if claim is ever made upon Agent or any Lender for repayment or recovery of any amount or amounts received by Agent or such Lender in payment or on account of any of the Obligations and Agent or such Lender repays all or part of said amount for any reason whatsoever, including, without limitation, by reason of any judgment, decree or order of any court or administrative body having jurisdiction over Agent or such Lender or the respective property of each, or any settlement or compromise of any claim effected by Agent or such Lender with any such claimant (including any Loan Party); and in such event each Guarantor hereby agrees that any such judgment, decree, order, settlement or compromise or other circumstances shall be binding upon such Guarantor, notwithstanding any revocation hereof or the cancellation of any note or other instrument evidencing any Obligation, and each Guarantor shall be and remain liable to Agent and/or Lenders for the amount so repaid or recovered to the same extent as if such amount had never originally been received by Agent or such Lenders.

15.9 No Marshalling, Etc.

(a) Agent shall not be required to marshal any assets in favor of any Guarantor, or against or in payment of Obligations.

(b) No Guarantor shall be entitled to claim against any present or future security held by Agent or any Lender from any Person for Obligations in priority to or equally with any claim of Agent or any Lender, or assert any claim for any liability of any Loan Party to any Guarantor in priority to or equally with claims of Agent or any Lender for Obligations, and no Guarantor shall be entitled to compete with Agent or any Lender with respect to, or to advance any equal or prior claim to any security held by Agent or any Lender for Obligations.

(c) If any Loan Party makes any payment to Agent or any Lender, which payment is wholly or partly subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to any Person under any federal or provincial or other statute or at common law or under equitable principles, then to the extent of such payment, the Obligation intended to be paid shall be revived and continued in full force and effect as if the payment had not been made, and the resulting revived Obligation shall continue to be guaranteed, uninterrupted, by each Guarantor hereunder.

(d) All present and future monies payable by any Loan Party or any other Guarantor to any Guarantor, whether arising out of a right of subrogation, contribution or otherwise, are assigned to Agent for its benefit and for the ratable benefit of Lenders as security for such Guarantor's liability to Agent and Lenders hereunder and are postponed and subordinated to Agent's and Lenders' prior right to Payment in Full of all of the Obligations. Except to the extent prohibited otherwise by this Agreement, all monies received by any Guarantor from any Loan Party shall be held by such Guarantor as agent and trustee for Agent and Lenders. This assignment, postponement and subordination shall only terminate when all of the Obligations are Paid in Full.

(e) Each Loan Party acknowledges this assignment, postponement and subordination and, except as otherwise set forth herein, agrees to make no payments to any Guarantor without the prior written consent of Agent. Each Loan Party agrees to give full effect to the provisions hereof.

15.10 Action Upon Event of Default.

Upon the occurrence and during the continuance of any Event of Default, Agent may and upon written request of the Required Lenders shall, without notice to or demand upon any Loan Party, any Guarantor or any other Person, declare all or any portion of the Obligations of such Guarantor hereunder immediately due and payable, and shall be entitled to enforce the Obligations of each Guarantor. Upon such declaration by Agent, Agent, Lenders and any of their Affiliates are hereby authorized at any time and from time to time to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other Indebtedness at any time owing by Agent or Lenders to or for the credit or the account of any Guarantor against any and all of the Obligations of each Guarantor now or hereafter existing hereunder in accordance with the terms of this Agreement, whether or not Agent or Lenders shall have made any demand hereunder against any other Loan Party and although such Obligations may be contingent and unmatured. The rights of Agent and Lenders hereunder are in addition to other rights and remedies (including other rights of set-off) which Agent and Lenders may have. Upon such declaration by Agent, with respect to any claims (other than those claims referred to in the immediately preceding paragraph) of any Guarantor against any Loan Party (the "Claims"), Agent shall have the full right on the part of Agent in its own name or in the name of such Guarantor to collect and enforce such Claims by legal action, proof of debt in bankruptcy or other liquidation proceedings, vote in any proceeding for the arrangement of debts at any time proposed, or otherwise, Agent and each of its officers being hereby irrevocably constituted attorneys-in-fact for each Guarantor for the purpose of such enforcement and for the purpose of endorsing in the name of each Guarantor any instrument for the payment of money. Each Guarantor will receive as trustee for Agent and will pay to Agent forthwith upon receipt thereof any amounts which such Guarantor may receive from any Loan Party on account of the Claims. Each Guarantor agrees that at no time hereafter will any of the Claims be represented by any notes or other negotiable instruments or writings, except and in such event they shall either be made payable to Agent, or if payable to any Guarantor, shall forthwith be endorsed by such Guarantor to Agent. Each Guarantor agrees that no payment on account of the Claims or any Lien therein shall be created, received, accepted or retained during the continuance of any Event of Default nor shall any financing statement be filed with respect thereto by any Guarantor.

15.11 Statute of Limitations.

Any acknowledgment or new promise, whether by payment of principal or interest or otherwise and whether by any Loan Party or others (including any Lenders) with respect to any of the Obligations shall, if the statute of limitations in favor of any Guarantor against Agent or Lenders shall have commenced to run, toll the running of such statute of limitations and, if the period of such statute of limitations shall have expired, prevent the operation of such statute of limitations.

15.12 Interest.

All amounts due, owing and unpaid from time to time by any Guarantor hereunder shall bear interest at the interest rate per annum then chargeable with respect to Base Rate Loans constituting Revolving Advances.

15.13 Guarantor's Investigation.

Each Guarantor acknowledges receipt of a copy of each of this Agreement and the Other Documents. Each Guarantor has made an independent investigation of Loan Parties and of the financial condition of Loan Parties. Neither Agent nor any Lender has made, Agent and Lenders do not hereby make, any representations or warranties as to the income, expense, operation, finances or any other matter or thing affecting any Loan Party nor has Agent or any Lender made any representations or warranties as to the amount or nature of the Obligations of any Loan Party to which this Section 15 applies as specifically herein set forth, nor has Agent or any Lender or any officer, agent or employee of Agent or any Lender or any representative thereof, made any other oral representations, agreements or commitments of any kind or nature, and each Guarantor hereby expressly acknowledges that no such representations or warranties have been made and such Guarantor expressly disclaims reliance on any such representations or warranties.

15.14 Termination.

Subject to reinstatement as provided in Section 15.8, the provisions of this Section 15 shall remain in effect until all of Obligations have been Paid in Full.

15.15 Extension of Guarantee.

Without prejudice to the generality of this Section 15, each Guarantor expressly confirms that it intends that the guarantee provided in this Section 15 shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the provisions of this Agreement or any Other Document and/or any facility or amount made available hereunder or thereunder.

15.16 Applicability to Borrowers.

Without limiting any of any Borrower's obligations under this Agreement or any Other Document, each Borrower shall also be considered a Guarantor for purposes of this Section 15 to the extent such Borrower is not directly and primarily obligated with respect to the Obligations.

16. MISCELLANEOUS.

16.1 Governing Law; Consent to Jurisdiction; Etc.

This Agreement shall be governed by and construed in accordance with the laws of the State of New York applied to contracts to be performed wholly within the State of New York, without regard to conflicts of laws principles. Any judicial proceeding brought by or against any Loan Party with respect to any of the Obligations, this Agreement or any Other Document may be brought in any court of competent jurisdiction located in the County and State of New York, United States of America, and, by execution and delivery of this Agreement, each Loan Party accepts for itself and in connection with its properties, generally and unconditionally, the non-exclusive jurisdiction of the aforesaid courts, and irrevocably agrees to be bound by any judgment rendered thereby in connection with this Agreement. Each Loan Party hereby waives personal service of any and all process upon it and consents that all such service of process may be made by registered mail (return receipt requested) directed to Administrative Loan Party (on behalf of Borrowers) at its address set forth in Section 16.6 and service so made shall be deemed completed five (5) days after the same shall have been so deposited in the mails of the United States of America, or, at Agent's and/or any Lender's option, by service upon Administrative Loan Party (on behalf of Borrowers) which each Loan Party irrevocably appoints as such Loan Party's agent for the purpose of accepting service within the State of New York. Nothing herein shall affect the right to serve process in any manner permitted by law or shall limit the right of Agent or any Lender to bring proceedings against any Loan Party in the courts of any other jurisdiction. Each Loan Party waives any objection to jurisdiction and venue of any action instituted hereunder and shall not assert any defense based on lack of jurisdiction or venue or based upon forum non conveniens. Any judicial proceeding by any Loan Party against Agent or any Lender involving, directly or indirectly, any matter or claim in any way arising out of, related to or connected with this Agreement or any Other Document (except to the extent, if any, expressly provided otherwise in any Other Document), shall be brought only in a federal or state court located in the City of New York, State of New York.

16.2 Entire Understanding; Amendments; Lender Replacements; Overadvances.

(a) This Agreement and the Other Documents executed concurrently herewith or on or after the Closing Date contain the entire understanding between each Loan Party, Agent and each Lender and supersedes all prior agreements and understandings, if any, relating to the subject matter hereof or thereof. Any promises, representations, warranties or guarantees of Agent or any Lender to any Loan Party not herein contained or not contained in any Other Document executed on or after the Closing Date shall have no force and effect. Neither this Agreement nor any portion or provisions hereof may be changed, modified, amended, waived, supplemented, discharged, cancelled or terminated orally or by any course of dealing, or in any manner other than by an agreement in writing pursuant to clause (b) below. Any Default or Event of Default that occurs hereunder shall continue unless and until expressly waived in writing pursuant to clause (b) below. Each Loan Party acknowledges that it has been advised by counsel in connection with the execution of this Agreement and Other Documents and is not relying upon oral representations or statements inconsistent with the terms and provisions of this Agreement.

(b) Agent and the Required Lenders (or Agent with the consent in writing of the Required Lenders), and Borrowers may, subject to the provisions of this Section 16.2(b), from time to time enter into written amendments and supplemental agreements to this Agreement or the Other Documents executed by Borrowers, for the purpose of adding or deleting any provisions or otherwise changing, varying or waiving in any manner the rights of Lenders, Agent or Loan Parties hereunder or thereunder or the conditions, provisions or terms hereof or thereof or waiving any Default or Event of Default hereunder or thereunder, but only to the extent specified in such written agreements; provided, however, that, (x) this Section 9.13 shall not be applicable to any modification or amendment pursuant to Sections 3.9 (Effect of Benchmark Transition Event) of this Agreement and Borrower acknowledges that any modification or amendment pursuant to Sections 3.9 of this Agreement shall be effective upon notice by Agent without execution by Borrower. And (y) no such amendment or supplemental agreement shall:

(i) increase the Commitment of any Lender without the consent of Agent and the affected Lender;

(ii) increase the Maximum Credit or the Maximum Revolving Advance Amount without the consent of Agent and all Lenders, provided, that, the increase provided for in Section 2.19 shall not be deemed an increase requiring the consent of any Lender other than Lenders providing such increase;

(iii) extend the Term or the final scheduled maturity of any Advance or the due date for any amount payable hereunder, or decrease the rate of interest (other than the waiver of any default rate), reduce the principal amount of any outstanding Advances, or reduce any scheduled (as opposed to mandatory prepayment) principal payment or fee payable by Borrowers to Agent or a Lender pursuant to this Agreement or any Other Document, without the consent of Agent and each such Lender directly affected thereby;

(iv) alter the definition of the term Required Lenders or alter, amend or modify this Section 16.2(b) without the consent of Agent and all Lenders;

(v) release any Collateral during any calendar year (other than in accordance with the provisions of this Agreement, including any Disposition thereof permitted by this Agreement) having an aggregate value in excess of $500,000 without the consent of Agent and all Lenders;

(vi) change the rights and duties of Agent without the consent of Agent; or

(vii) increase the Advance Rates above the Advance Rates in effect on the Closing Date without the consent of Agent and all Lenders;

(viii) alter the definition of the terms Borrowing Base, Eligible Accounts or Eligible Inventory in any manner which would have the effect of increasing availability of Advances, without the consent of Agent and all Lenders;

(ix) release of any Loan Party from its Obligations hereunder, except in accordance with the terms of this Agreement;

(x) subordinate the priority of the Liens in the Collateral in favor of Agent, for the benefit of Secured Parties, to any Liens therein held by any other Person, without the consent of Agent and all Lenders; or

(xi) alter the priority of allocation of payments and proceeds of Collateral provided for in Section 11.2(b) without the consent of Agent and all Lenders.

Any such amendment or supplemental agreement shall apply equally to each Lender and shall be binding upon Loan Parties, Lenders and Agent and all future holders of the Obligations. In the case of any waiver of a Default or Event of Default pursuant to a waiver provided in accordance with the above provisions of this Section 16.2(b), Loan Parties, Agent and Lenders shall be restored to their former positions and rights, and any Default or Event of Default waived shall be deemed to be cured and not continuing, but no waiver of a specific Default or Event of Default shall extend to any other Default or Event of Default or any subsequent Default or Event of Default (whether or not the subsequent Default or Event of Default is the same as the Default or Event of Default which was waived), or impair any right consequent thereon.

(c) In the event that (i) Agent requests the consent of a Lender pursuant to this Section 16.2 and such consent is denied, (ii) a Lender is a Defaulting Lender, (iii) a Lender is an Impacted Lender or (iv) a Lender is a Prior Defaulting/Impacted Lender, then, in each case, Agent may, at its option, require such Lender to assign its Advances and Commitments to Agent or to another Lender or to any other Person designated by Agent (a "Designated Lender"), for a price equal to the then outstanding principal amount of all Advances held by such Lender plus accrued and unpaid interest and fees owing to such Lender, which interest and fees shall be paid when, and if, collected from Borrowers. In the event Agent elects to require any Lender to assign such Lender's Advances and Commitments to Agent or to a Designated Lender, Agent will so notify such Lender in writing within one hundred and eighty (180) days following such Lender's denial (or with respect to clauses (ii), (iii) or (iv)) above, during the time that such Lender is a Defaulting Lender, an Impacted Lender or a Prior Defaulting/Impacted Lender, as applicable, or within one hundred and eighty (180) days thereafter), and such Lender will assign its interest to Agent or the Designated Lender no later than five (5) days following receipt of such notice pursuant to a Commitment Transfer Supplement executed by such Lender (or Agent on behalf of such Lender if such Lender refuses to execute such Commitment Transfer Supplement within such time period; and each Lender hereby irrevocable authorizes Agent to so execute such a Commitment Transfer Supplement on its behalf), Agent or the Designated Lender, as appropriate, and Agent (if Agent is not the Designated Lender).

(d) Notwithstanding the foregoing (and in addition to Agent's rights to make Protective Advances hereunder), Agent may at its discretion and without the consent of the Required Lenders, voluntarily permit the outstanding Revolving Advances and Letters of Credit at any time to exceed the Borrowing Base (but not to exceed the Maximum Revolving Advance Amount) by up to ten (10%) percent of the Borrowing Base for up to thirty (30) consecutive Business Days; provided, that, any such overadvance shall still constitute an Event of Default as

of the first (1st) day of such overadvance regardless of the reason for or amount of such overadvance. For purposes of the preceding sentence, the discretion granted to Agent hereunder shall not preclude involuntary overadvances that may result from time to time due to the fact that the Borrowing Base was unintentionally exceeded for any reason, including, but not limited to, Collateral previously deemed to be eligible for inclusion in the Borrowing Base, becomes ineligible, collections of Receivables applied to reduce outstanding Advances are thereafter returned for insufficient funds or overadvances are made to protect or preserve the Collateral; provided, that, any such overadvance shall still constitute an Event of Default as of the first (1st) day of such overadvance regardless of the reason for or amount of such overadvance. In the event Agent involuntarily permits the outstanding Revolving Advances and Letters of Credit to exceed the Borrowing Base by more than ten (10%) percent of the Borrowing Base, Borrowers shall decrease such excess in as expeditious a manner as is practicable under the circumstances and not inconsistent with the reason for such excess; provided, that, any Event of Default resulting therefrom shall remain in existence. Revolving Advances made or Letters of Credit issued after Agent has determined the existence of involuntary overadvances shall be deemed to be involuntary overadvances and shall be decreased in accordance with the preceding sentence, and in all events shall constitute an Event of Default.

16.3 Successors and Assigns; Participations; New Lenders; Taxes; Syndication.

(a) This Agreement and the Other Documents shall be binding upon and inure to the benefit of each Loan Party, Agent, each Lender, all future holders of the Obligations and their respective successors and assigns; except, that, no Loan Party may assign or transfer any of its rights or obligations under this Agreement or any Other Document (other than pursuant to a merger or consolidation of Loan Parties permitted hereunder) without the prior written consent of Agent and each Lender.

(b) Each Loan Party acknowledges that one or more Lenders may at any time and from time to time sell participating interests in the Advances to other Persons with the prior written consent of Agent, which consent of Agent shall not be unreasonably withheld, conditioned or delayed (each such transferee or purchaser of a participating interest, a "Transferee"); provided, that, no participating interest may be sold to a Person organized under the laws of a jurisdiction outside the United States that cannot make the certifications required by Section 16.3(f). Each Transferee may exercise all rights of payment (including without limitation rights of set-off) with respect to the portion of such Advances held by it or other Obligations payable hereunder as fully as if such Transferee were the direct holder thereof; provided, that, Loan Parties shall not be required to pay to any Transferee more than the amount which it would have been required to pay to the Lender which granted an interest in its Advances or other Obligations payable hereunder to such Transferee, had such Lender retained such interest in the Advances hereunder or other Obligations payable hereunder, and in no event shall Loan Parties be required to pay any such amount arising from the same circumstances and with respect to the same Advances or other Obligations payable hereunder to both such Lender and such Transferee. Transferee's rights under Section 16.2 shall be limited to those items in Section 16.2(b) which require consent of each Lender or each directly affected Lender, as applicable. Each Loan Party hereby grants to Agent, for the ratable benefit of each Secured Party, a continuing Lien in any deposits, moneys or other property actually or constructively held by such Transferee as security for the Transferee's interest in the Advances. Neither Agent nor any Lender (other than the Lender selling a participation) shall have any duty to any Participant and may continue to deal solely with the Lender selling a participation as if no such sale had occurred.

(c) Any Lender may sell, assign or transfer all or any part of its Advances and Commitments (and related rights and obligations under this Agreement and the Other Documents) to Qualified Assignees (each a "Purchasing Lender"), in minimum amounts of not less than $5,000,000 (except such minimum amount shall not apply to (i) a sale, assignment or transfer by any Lender to an Affiliate of such Lender or to a group of new Lenders, each of which is an Affiliate of each other to the extent that the aggregate amount to be assigned to all such new Lenders is at least $5,000,000 or (ii) a sale, assignment or transfer by any Lender of all of its Commitments and all of its Advances), pursuant to a Commitment Transfer Supplement, executed by a Purchasing Lender, the transferor Lender, and Agent and delivered to Agent for recording. Upon such execution, delivery, acceptance and recording, from and after the transfer effective date determined pursuant to such Commitment Transfer Supplement, (A) Purchasing Lender thereunder shall be a party to this Agreement and the Other Documents as a Lender and, to the extent transferred pursuant to such Commitment Transfer Supplement, have Commitments and outstanding Advances, and (B) the transferor Lender thereunder shall, to the extent its Advances and Commitments have been transferred pursuant to such Commitment Transfer Supplement, be released from its obligations under this Agreement and the Other Documents. Such Commitment Transfer Supplement shall be deemed to amend this Agreement to the extent, and only to the extent, necessary to reflect the addition of such Purchasing Lender as a Lender and the resulting adjustment of the Commitment Percentages arising from the purchase by such Purchasing Lender of all or a portion of the Advances and Commitments of such transferor Lender under this Agreement and the Other Documents. Loan Parties hereby consent to the addition of such Purchasing Lender as a Lender and the resulting adjustment of the Commitment Percentages arising from the purchase by such Purchasing Lender of all or a portion of the Advances and Commitments of such transferor Lender. Loan Parties shall execute and deliver such further documents and do such further acts and things in order to effectuate the foregoing. Notwithstanding the foregoing, any Lender may assign all or any portion of the Advances or Notes held by it to any Federal Reserve Bank or the United States Treasury as collateral security pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any Operating Circular issued by such Federal Reserve Bank; provided, that, any payment in respect of such assigned Advances or Notes made by Borrowers to or for the account of the assigning or pledging Lender in accordance with the terms of this Agreement shall satisfy Borrowers' obligations hereunder in respect to such assigned Advances or Notes to the extent of such payment. No such assignment described in the immediately preceding sentence shall release the assigning Lender from its obligations hereunder.

(d) Agent, acting solely in this situation as a non-fiduciary agent of the Borrower, shall maintain at its address a copy of each Commitment Transfer Supplement delivered to it and a register (the "Register") for the recordation of the names and addresses of the Advances owing to each Lender from time to time. The entries in the Register shall be conclusive, in the absence of manifest error, and Loan Parties, Agent and Lenders may treat each Person whose name is recorded in the Register as the owner of the Advance recorded therein for the purposes of this Agreement. The Register shall be available for inspection by Loan Parties or any Lender at any reasonable time and from time to time upon reasonable prior notice. Agent shall receive a fee in the amount of $3,500 payable by the applicable Purchasing Lender upon the effective date of each transfer or assignment to such Purchasing Lender.

(e) Loan Parties authorize each Lender to disclose to any Transferee or Purchasing Lender and any prospective Transferee or Purchasing Lender (who agrees in writing or through electronic media to treat the information as confidential and use it solely in connection with a proposed transfer under this Section 16.3) any and all financial and other information in such Lender's possession concerning Loan Parties which has been delivered to Agent or such Lender by or on behalf of Loan Parties pursuant to this Agreement or in connection with Agent's or such Lender's credit evaluation of Loan Parties.

(f) Each Lender or Participant organized under the laws of a jurisdiction outside the United States, and from time to time thereafter if either requested by Borrowers (or Administrative Loan Party on behalf of Borrowers) or Agent or upon the obsolescence or expiration of any previously delivered form, shall provide Agent and Administrative Loan Party (on behalf of Borrowers) with (i) two (2) original executed copies of a correct and completed IRS Form W-8BEN, W-8ECI, or W-8IMY (with appropriate attachments), as appropriate, or any successor or other form prescribed by the IRS, certifying that payments to such Lender or Participant are not subject to United States federal withholding tax under the Code because such payment is either effectively connected with the conduct by such Lender or Participant of a trade or business in the United States or totally exempt from United States federal withholding tax by reason of the application of an income tax treaty to which the United States is a party or such Lender is otherwise exempt, (ii) or to the extent permitted by law, each such Lender or Participant may provide Administrative Loan Party (on behalf of Borrowers) and Agent with two original executed copies of IRS Form W-8BEN, or any successor form prescribed by the IRS, certifying that such Lender is exempt from United States federal withholding tax pursuant to Section 871(h) or 881(c) of the Code, together with an annual certificate stating that such Lender or Participant is not a "person" described in Section 871(h)(3) or 881(c)(3) of the Code and (iii) a duly completed and executed IRS Form W-8BEN or W 9, as appropriate, or any successor or other form establishing an exemption from United States federal backup withholding tax. Each such Lender further agrees to complete and deliver to Administrative Loan Party (on behalf of Borrowers), upon its request, such other forms or other documentation as may be appropriate to minimize any withholding tax on payments pursuant to this Agreement under the laws of any other jurisdiction unless such completion and delivery may in any event be disadvantageous for such Lender. For purposes of this subsection (f), the term "United States" shall have the meaning specified in Section 7701 of the Code. Each Lender that is a United States person, shall provide Agent and Administrative Loan Party with two original executed IRS Form W-9s, certifying as to status for United States federal back up withholding tax purposes.

(g) At the request of Agent from time to time both before and after the Closing Date, Loan Parties will assist Agent in the syndication of the credit facility provided pursuant to this Agreement and the Other Documents. Such assistance shall include, but not be limited to (i) prompt assistance in the preparation of an information memorandum and the verification of the completeness and accuracy of the information and the reasonableness of the projections contained therein, (ii) preparation of offering materials and financial projections by Loan Parties and their

advisors, (iii) providing Agent with all information reasonably deemed necessary by Agent to successfully complete the syndication, (iv) confirmation as to the accuracy and completeness of such offering materials and information and confirmation that management's projections are based on assumptions believed by Loan Parties to be reasonable at the time made, and (v) participation of Loan Parties' senior management in meetings and conference calls with potential lenders at such times and places as Agent may reasonably request.

(h) If a payment made to a Lender hereunder or under any Other Document would be subject to U.S. federal withholding tax imposed by FATCA if such Lender were to fail to comply with the applicable due diligence and reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to Agent (or, in the case of a Participant, to the Lender granting the participation only) at the time or times prescribed by law and at such time or times reasonably requested by Agent (or, in the case of a Participant, the Lender granting the participation) such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by Agent (or, in the case of a Participant, the Lender granting the participation) as may be necessary for Agent or Borrowers to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (h), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

16.4 Application of Payments.

Agent shall have the continuing and exclusive right to apply or reverse and re-apply any payment and any and all proceeds of Collateral to any portion of the Obligations. To the extent that any Loan Party makes a payment or Agent or any Lender receives any payment or proceeds of the Collateral for any Loan Party's benefit, which are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, debtor in possession, receiver, custodian or any other party under any bankruptcy law, common law or equitable cause, then, to such extent, the Obligations or part thereof intended to be satisfied shall be revived and continue as if such payment or proceeds had not been received by Agent or such Lender.

16.5 Indemnity/Currency Indemnity.

(a) Each Loan Party shall indemnify Agent, each Issuer, each Lender and each of their respective officers, directors, Affiliates, employees, representatives and agents (each, an "Indemnitee") from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses and disbursements of any kind or nature whatsoever (including, without limitation, fees and disbursements of counsel) arising from any action, litigation, proceeding, dispute or investigation which may be imposed on, incurred by, or asserted against Agent, such Issuer or any Lender in any litigation, proceeding, dispute or investigation instituted or conducted by any Governmental Body or any other Person with respect to any aspect of, or any transaction contemplated by, or referred to in, or any matter related to, this Agreement or the Other Documents, whether or not Agent, any Issuer or any Lender is a party thereto; except, that, no Indemnitee shall be entitled to indemnification hereunder to the extent that any of the

foregoing arises out of the gross (not mere) negligence or willful misconduct of such Indemnitee as determined pursuant to a final, non-appealable order of a court of competent jurisdiction. Upon learning of any matter described above for which any Indemnitee may want to seek indemnity from any Loan Party, such Indemnitee shall promptly notify Administrative Loan Party of such matter; provided, that, the failure to do so shall not in any manner limit, impair or affect Loan Parties' indemnification obligations hereunder. Nothing contained herein or in any Other Document shall prohibit any Loan Party from seeking contribution or indemnity from any Person other than Agent or a Lender.

(b) If for the purposes of obtaining or enforcing judgment in any court in any jurisdiction with respect to this Agreement or any Other Document, it becomes necessary to convert into the currency of such jurisdiction (the "Judgment Currency") any amount due under this Agreement or under any Other Document in any currency other than the Judgment Currency (the "Currency Due") (including any Currency Due for the purposes of Section 2.5) then, to the extent permitted by law, conversion shall be made at the exchange rate selected by Agent on the Business Day before the day on which judgment is given (or for the purposes of Section 2.5 on the Business Day on which the payment was received by Agent). In the event that there is a change in such exchange rate between the Business Day before the day on which the judgment is given and the date of receipt by Agent of the amount due, Borrowers shall to the extent permitted by law, on the date of receipt by Agent, pay such additional amounts, if any, or be entitled to receive reimbursement of such amount, if any, as may be necessary to ensure that the amount received by Agent on such date is the amount in the Judgment Currency which (when converted at such exchange rate on the date of receipt by Agent in accordance with normal banking procedures in the relevant jurisdiction) is the amount then due under this Agreement or such Other Document in the Currency Due. If the amount of the Currency Due (including any Currency Due for purposes of Section 2.5) which Agent is so able to purchase is less than the amount of the Currency Due (including any Currency Due for purposes of Section 2.5) originally due to it, Borrowers shall to the extent permitted by law jointly and severally indemnify and save Agent and Lenders harmless from and against loss or damage arising as a result of such deficiency.

16.6 Notice.

Any notice or request required to be given hereunder to any Loan Party or to Agent or any Lender shall be in writing (except as expressly provided herein) at their respective addresses set forth below or at such other address as may hereafter be specified in a notice designated as a notice of change of address under this Section 16.6. Any notice or request required to be given hereunder shall be given by (a) hand delivery, (b) overnight courier, (c) registered or certified mail, return receipt requested, or (d) facsimile to such number as may hereafter be specified (in a notice designated as a notice of change of address) with electronic confirmation of its receipt. Any notice or request required to be given hereunder shall be deemed given on the earlier of (i) actual receipt thereof, and (ii) (A) one Business Day following posting thereof by a recognized overnight courier, (B) three (3) days following posting thereof by registered or certified mail, return receipt requested, or (C) upon the sending thereof when sent by facsimile with electronic confirmation of its receipt, in each case addressed to each party at its address set forth below or at such other address as has been furnished in writing by a party to the other by like notice:

If to Agent or to TD Bank as Lender at: TD Bank, N.A.
2 West Main St., 2nd Floor
Waterbury, CT 06702
Attention: AOB Products Acct Manager

If to a Lender other than TD Bank, as specified on the signature pages hereof or in the applicable Commitment Transfer Supplement.

If to any Borrower or any Loan Party: American Outdoor Brands, Inc.
711 E. Main Street
Chicopee, MA 01020
Attention: Andrew Fulmer

16.7 Survival.

The obligations of Loan Parties under Sections 2.2(g), 3.6, 3.10, 4.18(g), 13.2, 14.7, 16.5 and 16.10 shall survive termination of this Agreement and the Other Documents and Payment in Full of the Obligations.

16.8 Postponement of Subrogation, Etc. Rights.

Each Loan Party expressly agrees not to exercise, until Payment in Full of all of the Obligations, any and all rights of subrogation, reimbursement, indemnity, exoneration, contribution of any other claim which such Loan Party may now or hereafter have against the other Loan Parties or other Person directly or contingently liable for the Obligations hereunder, or against or with respect to the other Loan Parties' property (including, without limitation, any property which is Collateral for the Obligations), arising from the existence or performance of this Agreement.

16.9 Severability.

If any part of this Agreement is contrary to, prohibited by, or deemed invalid under applicable laws or regulations, such provision shall be inapplicable and deemed omitted to the extent so contrary, prohibited or invalid, but the remainder hereof shall not be invalidated thereby and shall be given effect so far as possible.

16.10 Expenses.

The Borrowers shall reimburse Agent (and, with respect to clause (a) below, Lenders) for all costs and expenses (including without limitation, travel expenses) paid or incurred by Agent (and, with respect to clause (a) below, Lenders) in connection with this Agreement and the Other Documents, including, without limitation:

(a) reasonable attorneys' fees and disbursements incurred by Agent and, during the continuance of a Default or Event of Default, by Lenders (i) in all efforts made to enforce

payment of any Obligations or collection of or other realization upon any Collateral, (ii) in defending or prosecuting any actions or proceedings arising out of or relating to this Agreement and the Other Documents, (iii) in connection with the enforcement of this Agreement or any Other Document, and (iv) in enforcing Agent's security interest in or Lien on any of the Collateral, whether through judicial proceedings or otherwise;

(b) reasonable attorneys' fees and expenses, fees and expenses of financial accountants, advisors, consultants, appraisers and other professionals incurred by Agent and other costs and expenses incurred by Agent (i) in connection with the preparing, negotiating, entering into, performing or syndicating this Agreement and/or the Other Documents, any amendment, waiver, consent or other modification with respect thereto and the administration, work-out or enforcement of this Agreement and the Other Documents, (ii) in instituting, maintaining, preserving and foreclosing on Liens on any of the Collateral, whether through judicial proceedings or otherwise, (iii) in connection with any advice given to Agent with respect to its rights and obligations under this Agreement and all Other Documents or (iv) that Agent reasonably deems necessary or appropriate for the performance and fulfillment of its functions, powers, and obligations pursuant to this Agreement and the Other Documents; and

(c) Subject to Section 4.21, reasonable fees and disbursements incurred by Agent in connection with any appraisals of Inventory, Equipment or other Collateral, field examinations, collateral analysis or monitoring or other business analysis conducted by outside Persons in connection with this Agreement and the Other Documents.

16.11 Injunctive Relief.

Each Loan Party recognizes that, in the event any Loan Party fails to perform, observe or discharge any of its obligations or liabilities under this Agreement, any remedy at law may prove to be inadequate relief to Agent and Lenders; therefore, Agent, if Agent so requests, shall be entitled to temporary and permanent injunctive relief in any such case without the necessity of proving that actual damages are not an adequate remedy.

16.12 Consequential Damages.

None of Agent, any Issuer, any Lender, nor any agent or attorney for any of them, shall be liable to any Loan Party for special, punitive, exemplary, indirect or consequential damages arising from any breach of contract, tort or other wrong relating to the establishment, administration or collection of the Obligations.

16.13 Captions.

The captions at various places in this Agreement are intended for convenience only and do not constitute and shall not be interpreted as part of this Agreement.

16.14 Counterparts; Facsimile or Emailed Signatures; Electronic Delivery.

(a) This Agreement may be executed in any number of and by different parties hereto on separate counterparts, all of which, when so executed, shall be deemed an original, but all such counterparts shall constitute one and the same agreement. Any signature delivered by a party by facsimile or email transmission shall be deemed to be an original signature hereto.

(b) Each of the parties hereto explicitly consent to the electronic delivery of the terms of the transaction evidenced by this agreement. Each of the parties hereto agree that their present intent to be bound by this agreement may be evidenced by transmission of digital images of signed signature pages via facsimile, email, SMS or other digital transmission and affirms that such transmission indicates a present intent to be bound by the terms of the agreement and is deemed to be valid execution and delivery as though an original ink or electronic signature. Loan Parties shall deliver original executed signature pages to Agent, but any failure to do so shall not affect the enforceability of this agreement. An electronic image of this agreement (including signature pages) shall be as effective as an original for all purposes.

16.15 Construction.

The parties acknowledge that each party and its counsel have reviewed this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments, schedules or exhibits thereto.

16.16 Confidentiality; Sharing Information.

(a) Agent, each Lender and each Transferee shall hold all non-public information designated as confidential and obtained by Agent, such Lender or such Transferee pursuant to the requirements of this Agreement in accordance with Agent's, such Lender's and such Transferee's customary procedures for handling confidential information of this nature; provided, however, that, Agent, each Lender and each Transferee may disclose such confidential information (i) to its examiners, affiliates, outside auditors, counsel and other professional advisors, (ii) to Agent, any Lender or to any prospective Transferees and Purchasing Lenders (who agrees in writing or through electronic media to treat the information as confidential and use it solely in connection with a proposed transfer under Section 16.3), (iii) that ceases to be non-public information through no fault of Agent or any Lender, and (iv) as required or requested by any Governmental Body or representative thereof or pursuant to legal process; provided, further, that, (A) unless specifically prohibited by applicable law or court order, Agent, each Lender and each Transferee shall use reasonable efforts prior to disclosure thereof, to notify Administrative Loan Party (on behalf of Borrowers) of the applicable request for disclosure of such non-public information (1) by a Governmental Body or representative thereof (other than any such request in connection with an examination of the financial condition of Agent, a Lender or a Transferee by such Governmental Body) or (2) pursuant to legal process, and (B) in no event shall Agent, any Lender or any Transferee be obligated to return any materials furnished by any Loan Party other than those documents and instruments in possession of Agent or any Lender constituting possessory Collateral once all of the Obligations have been Paid in Full.

(b) Each Loan Party acknowledges that from time to time financial advisory, investment banking and other services may be offered or provided to such Loan Party or one or more of its Affiliates (in connection with this Agreement or otherwise) by Agent, any Lender or by one or more Subsidiaries or Affiliates of Agent or such Lender and each Loan Party hereby authorizes Agent and each Lender to share any information delivered to Agent or such Lender by such Loan Party and its Subsidiaries pursuant to this Agreement, or in connection with the decision of Agent or such Lender to enter into this Agreement, to any such Subsidiary or Affiliate of Agent or such Lender, it being understood that any such Subsidiary or Affiliate of Agent or any Lender receiving such information shall be bound by the provision of this Section 16.16 as if it were a Lender hereunder. Such authorization shall survive the repayment of the Obligations and the termination of this Agreement.

16.17 Publicity.

Each Loan Party hereby authorizes Agent to make appropriate announcements of the financial arrangement entered into among Loan Parties, Agent and Lenders, including, without limitation, announcements which are commonly known as tombstones, in such publications and to such selected parties as Agent shall in its sole and absolute discretion deem appropriate. In addition, each Loan Party authorizes Agent to include each Loan Party's name and logo in select transaction profiles and client testimonials prepared by Agent for use in publications, company brochures and other marketing materials of Agent.

16.18 Patriot Act Notice.

Each Lender subject to the Patriot Act hereby notifies Loan Parties that, pursuant to Section 326 thereof, it is required to obtain, verify and record information that identifies Loan Parties, including the name and address of each Loan Party and other information allowing such Lender to identify Loan Parties in accordance with such act.

16.19 Agent Titles.

Each Lender or other Person that is designated (in the preamble of this Agreement or otherwise) as "Arranger", "Syndication Agent", "Bookrunner" or any title of any similar type shall not have any right, power, responsibility or duty under this Agreement or any of the Other Documents, other than those applicable to all Lenders (in the case of a Lender), and shall in no event be deemed to have any fiduciary relationship with any other Lender.

16.20 Keepwell.

Each Qualified ECP Guarantor hereby jointly and severally absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by each other Loan Party to honor all of its obligations under any Guarantee to which it is a party in respect of Swap Obligations (provided, however, that each Qualified ECP Guarantor shall only be liable under this Section 16.20 for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section 16.20, or otherwise under any such Guarantee, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations of each Qualified ECP Guarantor under this Section 16.20 shall remain in full force and effect until payment in full of the Obligations. Each Qualified ECP Guarantor intends that this Section 16.20 constitute, and this Section 16.20 shall be deemed to constitute, a "keepwell, support, or other agreement" for the benefit of each other Loan Party for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

16.21 Acknowledgment and Consent to Bail-In of EEA Financial Institutions.

Notwithstanding anything to the contrary set forth herein or in any Other Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising hereunder or under any Other Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(b) the effects of any Bail-in Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any Other Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

[**SIGNATURE PAGES FOLLOW]**

Each of the parties has signed this Agreement as of the day and year first above written.

BORROWERS:

AOB PRODUCTS COMPANY

By: */s/ H. Andrew Fulmer*
Name: H. Andrew Fulmer
Title: Chief Financial Officer

CRIMSON TRACE CORPORATION

By: */s/ H. Andrew Fulmer*
Name: H. Andrew Fulmer
Title: Chief Financial Officer

[Signature Page to Loan and Security Agreement]

[SIGNATURES CONTINUED FROM PREVIOUS PAGE]

GUARANTORS:

AMERICAN OUTDOOR BRANDS, INC.

By: */s/ H. Andrew Fulmer*
Name: H. Andrew Fulmer
Title: Chief Financial Officer

BATTENFIELD ACQUISITION COMPANY INC.

By: */s/ H. Andrew Fulmer*
Name: H. Andrew Fulmer
Title: Chief Financial Officer

BTI TOOLS, LLC

By: */s/ H. Andrew Fulmer*
Name: H. Andrew Fulmer
Title: Chief Financial Officer

ULTIMATE SURVIVAL TECHNOLOGIES, LLC

By: */s/ H. Andrew Fulmer*
Name: H. Andrew Fulmer
Title: Chief Financial Officer

AOBC ASIA CONSULTING, LLC,

By: */s/ H. Andrew Fulmer*
Name: H. Andrew Fulmer
Title: Chief Financial Officer

[**SIGNATURES CONTINUED FROM PREVIOUS PAGE]**

AGENT AND LENDER:

TD BANK, N.A., as Agent, Swingline Lender, Issuing Bank and a Lender

By: */s/ Donald J. Cavanagh*
Name: Donald J. Cavanagh
Title: Vice President

Exhibit 99.1

1800 N Route Z
Columbia, MO 65202
(800) 338-9585
NASDAQ: AOUT

Contact:
Liz Sharp, VP, Investor Relations
lsharp@aob.com
(573) 303-4620

American Outdoor Brands, Inc. Completes
Spin-off from Smith & Wesson

AOUT Commences Trading; Virtually Rings Opening Bell on NASDAQ

COLUMBIA, Mo., August 25, 2020 – American Outdoor Brands, Inc. (NASDAQ Global Select: AOUT), an industry leading provider of products and accessories for rugged outdoor enthusiasts, today announced that its spin-off from Smith & Wesson Brands, Inc. (NASDAQ: SWBI) was completed on Monday, August 24, 2020, and American Outdoor Brands, Inc. is now an independent, publicly traded company on the NASDAQ stock market under the symbol "AOUT."

American Outdoor Brands is a growth-oriented provider of outdoor products and accessories, including hunting, fishing, camping, shooting, and personal security and defense products, for rugged outdoor enthusiasts. With a portfolio of 20 diverse consumer brands, many in the early stages of their growth, the company has made recent investments in infrastructure, including a new distribution center and an e-commerce platform, that create a solid foundation for future growth, driven by its unique 'Dock & Unlock' brand strategy.

To mark the company's first day of trading, American Outdoor Brands President and CEO, Brian Murphy, several of the company's employees, the Board of Directors, and Chairman Barry M. Monheit, will virtually ring the Opening Bell on the NASDAQ market this morning at 9:30 a.m. EDT.

Brian Murphy, said, "Today is truly a milestone for our company, and we are excited to ring the NASDAQ opening bell. We believe that our passion for products that allow people to pursue their outdoor adventures is especially timely. As consumers increasingly look to outdoor activities such as fishing, hunting, shooting sports, camping, and hiking, we are proud to deliver innovative products that make it possible for people to re-think their connection with the outdoors. We thank our employees, board of directors, loyal consumers, and brand ambassadors for helping us arrive here today. We are proud to share our celebration with you."

About American Outdoor Brands, Inc.

American Outdoor Brands, Inc. (NASDAQ Global Select: AOUT) is an industry leading provider of outdoor products and accessories, including hunting, fishing, camping, shooting, and personal security and defense products, for rugged outdoor enthusiasts. The company produces innovative, top quality products under the brands Caldwell®; Crimson Trace®; Wheeler®; Tipton®; Frankford Arsenal®; Lockdown®; BOG®; Hooyman®; Smith & Wesson® Accessories; M&P® Accessories; Thompson/Center Arms™ Accessories; Performance Center® Accessories; Schrade®; Old Timer®; Uncle Henry®; Imperial®; BUBBA®; UST®; LaserLyte®; and MEAT!. For more information about all the brands and products from American Outdoor Brands, Inc., visit www.aob.com.

1800 N Route Z
Columbia, MO 65202
(800) 338-9585
NASDAQ: AOUT

Safe Harbor Statement

Certain statements contained in this press release may be deemed to be forward-looking statements under federal securities laws, and we intend that such forward-looking statements be subject to the safe-harbor created thereby. Such forward-looking statements include, among others, our belief that the company has made recent investments in infrastructure, including a new distribution center and an e-commerce platform, that create a solid foundation for future growth, driven by its unique 'Dock & Unlock' brand strategy; our belief that our passion for products that allow people to pursue their outdoor adventures is especially timely; and our belief that consumers are increasingly looking to outdoor activities. We caution that these statements are qualified by important risks, uncertainties, and other factors that could cause actual results to differ materially from those reflected by such forward-looking statements. Such factors include, among others, the effects of the coronavirus, or COVID-19, pandemic, including potential disruptions in our ability to source the raw materials necessary for the production of our products, disruptions and delays in the manufacture of our products, difficulties encumbered by retailers and other components of the distribution channel for our products; lower levels of consumer spending; our ability to introduce new products that are successful in the marketplace; interruptions of our arrangements with third-party contract manufacturers that disrupt our ability to fill our customers' orders; increases in costs or decreases in availability of finished products, product components, and raw materials; the failure to maintain or strengthen our brand recognition and reputation; the ability to forecast demand for our products accurately; our inability to expand our e-commerce business; our inability to compete in a highly competitive market; our dependence on large customers; an increase in private label products by our customers; pricing pressures by our customers; our ability to collect our account to receivable the risk of earthquakes, fire, power outages, power losses, and telecommunication failures; our abilities to identify acquisition candidates, to complete acquisitions of potential acquisition candidates, our ability to integrate their businesses with our business, and the success of acquired companies; our ability to protect our intellectual property; the risk of complying with any applicable foreign laws or regulations and the effect of increased protective tariffs; the performance and security of our information systems; the potential for product recalls, product liability, and other claims against us; our dependable on key personnel; economic, social, political, legislative, and regulatory factors; the potential for increased regulation of firearms and firearms-related products; the state of the U.S. economy; risks associated with our new principal facility, including the expected benefits; and other factors detailed from time to time in our reports that will be filed with the SEC, including the information statement filed with the SEC on August 4, 2020.