

TRADEMARK ASSIGNMENT COVER SHEET

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SUBMISSION TYPE:	RESUBMISSION
NATURE OF CONVEYANCE:	ASSIGNMENT OF THE ENTIRE INTEREST AND THE GOODWILL
RESUBMIT DOCUMENT ID:	900503564

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Royce International, LLC		04/05/2018	Limited Liability Company: Ohio

RECEIVING PARTY DATA

Name:	Gabriel Performance Products, LLC
Street Address:	388 South Main Street, Suite 320
City:	Akron
State/Country:	OHIO
Postal Code:	44311
Entity Type:	Limited Liability Company: OHIO

PROPERTY NUMBERS Total: 1

Property Type	Number	Word Mark
Registration Number:	4102990	ROYOXY

CORRESPONDENCE DATA

Fax Number: 3177133699
Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.
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 Email: efstrademarks@taftlaw.com
 Correspondent Name: Amy Wright
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 Address Line 2: ONE INDIANA SQUARE, SUITE 3500
 Address Line 4: INDIANAPOLIS, INDIANA 46204

ATTORNEY DOCKET NUMBER:	GPP01-00209
NAME OF SUBMITTER:	Amy Wright
SIGNATURE:	/Amy Wright/
DATE SIGNED:	07/12/2019

Total Attachments: 131
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EXECUTION VERSION

UNIT PURCHASE AGREEMENT
Among
GABRIEL PERFORMANCE PRODUCTS, LLC,
HARVINDER (HARRY) ANAND,
ALBERT J. ROYCE, III,
WYLIE H. ROYCE,
and VICTOR VILLAFRANCA, the
members of ROYCE INTERNATIONAL, LLC

April 5, 2018

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UNIT PURCHASE AGREEMENT

THIS UNIT PURCHASE AGREEMENT (this “Agreement”) is made and entered into this 5th day of April, 2018, by and among Gabriel Performance Products, LLC, an Ohio limited liability company (“Purchaser”), and Harvinder (Harry) Anand (“Anand”), Albert J. Royce, III, Wylie H. Royce, and Victor Villafranca, each of whom is a member of the Company (as defined below) (each, including Anand, a “Seller” and collectively, the “Sellers”). Purchaser and Sellers are sometimes collectively referred to herein as the “Parties” and each individually as a “Party.”

RECITALS

WHEREAS, Sellers own all of the outstanding units of membership interest (the “Units”) of Royce International, LLC, a Florida limited liability company (the “Company”).

WHEREAS, upon the terms and subject to the conditions of this Agreement, each of the Sellers desires to sell to Purchaser the issued and outstanding Units set forth next to such Seller’s name on Exhibit A hereto, to be sold for the consideration set forth in this Agreement;

WHEREAS, following the transactions contemplated by this Agreement, Purchaser will own all of the Units; and

WHEREAS, each of the Sellers has a material economic interest in the consummation of the transactions contemplated hereby, and Purchaser is requiring that each of the Sellers enter into this Agreement as a condition to Purchaser entering into this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

ARTICLE I PURCHASE, SALE AND CONTRIBUTION

1.1 Purchase and Sale of Units. Upon the terms and subject to the conditions set forth in this Agreement, at the Closing, each Seller will sell, transfer, convey, assign and deliver to Purchaser, and Purchaser will purchase and acquire from each Seller, free and clear of any Liens, the Units.

1.2 Purchase Price.

(a) The total purchase price for the Units will be Thirty-Three Million Dollars (\$33,000,000) plus or minus the Working Capital Adjustment as provided in Section 1.4 (the “Purchase Price”).

(b) The purchase price payable at Closing for the Units will be the sum of (i) Thirty-Three Million Dollars (\$33,000,000), plus or minus (ii) the Estimated Working Capital Adjustment (such amount, the “Closing Cash Purchase Price”).

1.3 Payment of Consideration. At the Closing:

(a) Purchaser will pay from the Closing Cash Purchase Price the Outstanding Transaction Expenses on behalf of the Company;

(b) Purchaser will pay from the Closing Cash Purchase Price the Indebtedness Amount on behalf of the Company, with such payment being made to the holders of such Indebtedness pursuant to payoff letters in form acceptable to Purchaser;

(c) Purchaser will pay from the Closing Cash Purchase Price an amount equal to Two Million Four Hundred Seventy Five Thousand Dollars (\$2,475,000) (the “Escrow Amount”) to JPMorgan Chase Bank, N.A. (the “Escrow Agent”), with such funds to be held in an escrow account pursuant to the terms and conditions of the escrow agreement executed simultaneously with this Agreement (the “Escrow Agreement”);

(d) Purchaser will pay to Sellers via wire transfer of immediately available funds to an account or accounts designated by Sellers the sum of the following:

(i) The Closing Cash Purchase Price, less;

(ii) the Outstanding Transaction Expenses, less;

(iii) the Indebtedness Amount, less;

(iv) the Escrow Amount.

1.4 Working Capital Adjustment. The Purchase Price will be subject to adjustment as provided in this Section 1.4 (the “Working Capital Adjustment”).

(a) Working Capital. “Working Capital” means the Current Assets of the Business (excluding Cash), minus the Current Liabilities of the Business (excluding Indebtedness), as of the specified date, determined in a manner consistent with GAAP and to the extent not inconsistent with GAAP, utilizing the accounting methods, practices, principles, and procedures, and with consistent classifications, judgments and valuation and estimation methodologies as those expressly set forth in Exhibit 1.4(a), which sets forth an illustrative calculation of Working Capital as of the date specified thereon (the “Sample Working Capital Statement”). For purposes of this Agreement, “Current Assets” will mean accounts receivable, Inventory, and the other current assets of the Company specifically identified on Exhibit 1.4(a), and “Current Liabilities” will mean accounts payable, accrued liabilities, and the other current liabilities identified on Exhibit 1.4(a), but in all cases excluding any items to the extent such items are included as part of Indebtedness Amount or Outstanding Transaction Expenses for purposes of determining the Closing Cash Purchase Price under this Article I.

(b) Estimated Working Capital Adjustment. Attached hereto as Exhibit 1.4(a) is an estimated statement of the Working Capital as of the close of business on the day prior to the Closing Date (the “Estimated Working Capital”), which was determined in the manner described in Section 1.4(a) above and in the Sample Working Capital Statement. If the Estimated Working Capital is greater than the Working Capital Target, then, on the Closing Date, the Closing Cash Unit Purchase Price will be increased on a

dollar-for-dollar basis by an amount equal to the Estimated Working Capital less the Working Capital Target, and if the Working Capital Target is greater than the Estimated Working Capital, then, on the Closing Date, the Closing Cash Unit Purchase Price will be decreased on a dollar-for-dollar basis by an amount equal to the Working Capital Target less the Estimated Working Capital (such adjustment, the “Estimated Working Capital Adjustment”).

(c) Closing Working Capital Adjustment.

(i) Within ninety (90) days after the Closing Date, Purchaser will prepare and deliver to the Sellers Representative a reasonably detailed statement (the “Closing Working Capital Statement”) of the Working Capital as of the close of business on the day prior to the Closing Date (the “Closing Working Capital”), which Closing Working Capital Statement will determine Closing Working Capital in the same manner as the Estimated Working Capital was determined. Following the Closing Date, Purchaser agrees that it will cooperate with the Sellers Representative and his advisors in making available to the Sellers Representative and his advisors such books, records, financial information, work papers, and supporting data, as reasonably requested, in connection with the Sellers Representative’s review of the Closing Working Capital.

(ii) The Sellers Representative may deliver a written notice to Purchaser within thirty (30) days of the Sellers Representative’s receipt of the Closing Working Capital Statement stating whether the Sellers Representative has any objections to the Closing Working Capital, describing in reasonable detail any objections thereto. Failure to give a timely objection notice (or written notification from the Sellers Representative that he has no objection to the Closing Working Capital Statement) will constitute acceptance and approval of the Closing Working Capital set forth therein, and such Closing Working Capital will be final and binding upon the Parties, absent manifest error.

(iii) If the Sellers Representative notifies Purchaser of any objection to the Closing Working Capital Statement within the time period set forth in Section 1.4(c)(ii), Purchaser and the Sellers Representative will attempt in good faith to reach an agreement as to the matter in dispute. If such Parties have failed to resolve any such disputed item within ten (10) days after receipt of timely notice of such objection, then any such disputed item will be submitted to and determined by an independent accounting firm jointly selected by Purchaser and the Sellers Representative (the “Independent Accounting Firm”); provided, however, the Parties may mutually agree on an extended period to resolve any such dispute before submitting it to the Independent Accounting Firm. The Independent Accounting Firm will be given reasonable access to all of the records of the Company and Purchaser to resolve any disputed item regarding the Closing Working Capital Statement, and will be instructed to submit its determination in writing with respect to any disputed matters to Purchaser and the Company within twenty (20) days. In connection with the engagement of the Independent Accounting Firm, Purchaser and Sellers Representative shall execute (or shall

cause the Company to execute) reasonable engagement letters as the Independent Accounting Firm reasonably requires in order to commence its engagement. The Independent Accounting Firm will address only those items properly disputed in accordance with Section 1.4(c)(ii) and the Independent Accounting Firm may not assign a value greater than the greatest value or lower than the lowest value for any such item claimed by Purchaser, on the one hand, or the Sellers Representative, on the other hand. The Sellers Representative and Purchaser will be entitled to present any materials they deem appropriate to the Independent Accounting Firm, including a meeting, with all parties present (to the extent such parties desire to be present in such meeting), to discuss their position. The fees and expenses of the Independent Accounting Firm incurred in resolving the disputed matter will be equitably apportioned by the Independent Accounting Firm based on the extent to which Purchaser, on the one hand, or the Sellers Representative, on the other hand, is determined by the Independent Accounting Firm to be the prevailing party in the resolution of each such disputed matter. The Closing Working Capital Statement properly disputed under this Section 1.4(c)(iii) will, after resolution of such dispute pursuant to this Section 1.4(c)(iii), be final, binding and conclusive on all parties.

(iv) If the Closing Working Capital as finally determined is greater than the Estimated Working Capital, Purchaser will pay such excess on a dollar-for-dollar basis to Sellers in immediately available funds, and if the Estimated Working Capital is greater than the Closing Working Capital, Sellers will, jointly and severally, pay such excess on a dollar-for-dollar basis to Purchaser, or, at Purchaser's election in its sole discretion, Purchaser may instead require that Purchaser and the Sellers Representative direct the Escrow Agent to release to Purchaser the amount of such difference from the Escrow Amount. If Purchaser elects to recover such amount from the Escrow Amount, but such amount exceeds the Escrow Amount, Sellers, jointly and severally, will pay such excess on a dollar-for-dollar basis to Purchaser in immediately available funds. Additionally, if Purchaser elects to recover such amount from the Escrow Amount, Sellers will be jointly and severally liable to replenish the Escrow Amount with the amount disbursed from the Escrow Amount within five (5) Business Days of such disbursement. The final adjustment is referred to herein as the "Closing Working Capital Adjustment". All payments pursuant to this Section 1.4(c)(iv) will be made within five (5) Business Days after the determination of Closing Working Capital becomes final and binding.

1.5 Tax Matters.

(a) Any Closing Working Capital Adjustment will be treated for Tax purposes as an adjustment to the Purchase Price.

(b) Purchaser and the Sellers agree that, for U.S. federal income Tax purposes, the purchase and sale of the Units pursuant to this Agreement is intended to be treated as the deemed sale by the Sellers to Purchaser of all of the assets held by the Company as of the Closing pursuant to Revenue Ruling 99-6 (Situation 2).

(c) Purchaser and the Sellers agree that for U.S. federal income Tax purposes the Purchase Price will be allocated among the assets of the Company deemed purchased and sold in accordance with Exhibit 1.5(c) (the “Allocation Statement”), and none of such parties will take any position (whether in audits, on any Tax Returns, or otherwise) for Tax purposes that is inconsistent with the Allocation Statement unless required to do so by applicable Legal Requirements; provided, however, that, with respect to the allocation of the Purchase Price only, (i) Purchaser’s cost for the assets that it is deemed to have acquired may differ from the total amount allocated hereunder to reflect the inclusion in the total cost of items (for example, capitalized acquisition costs) not included in the amount so allocated, and (ii) the amount realized by Sellers may differ from the total amount allocated hereunder to reflect transaction costs that reduce the amount realized for U.S. federal income Tax purpose.

1.6 Withholding. Purchaser will be entitled to deduct and withhold from the amounts otherwise payable pursuant to this Agreement to any Seller such amounts (the “Withholding Amounts”) as Purchaser or its agent or designee is required to deduct and withhold under the Code, or any provision of state, local or foreign Tax law and to properly remit (or have the Company remit through its payroll system) such Withholding Amounts to the appropriate Tax authority or other Governmental Authority. To the extent such Withholding Amounts are so withheld and paid to the applicable Tax authority or other Governmental Authority, such Withholding Amounts will be treated for all purposes of this Agreement as having been paid to the Person with respect to whom such withholding and deduction was made.

1.7 Sellers Representative. Each Seller hereby irrevocably appoints Anand (the “Sellers Representative”) as such Person’s sole and exclusive agent and attorney-in-fact, for and on behalf of each such Person, with full power and authority to represent each such Person and each such Person’s successors and assigns, with full power of substitution in the premises, with respect to all matters arising under this Agreement or any other agreement or document contemplated hereby or delivered pursuant hereto (including, but not limited to, waiving any right or remedy in favor of Seller; contesting, negotiating, and settling any dispute arising out of or in connection with this Agreement or any other agreement or document contemplated hereby or delivered pursuant hereto; or entering into any amendment to this Agreement or any other agreement or document contemplated hereby or delivered pursuant hereto) and to receive all sums payable to such Persons, and all actions taken by the Sellers Representative under this Agreement or any other agreement or document contemplated hereby or delivered pursuant hereto will be binding upon each such Person and such Person’s successors and assigns as if expressly ratified and confirmed in writing by each of them. The authority conferred under this Agreement will be an agency coupled with an interest, and all authority conferred hereby is irrevocable and not subject to termination by any Seller, or by operation of law, whether by the death or incapacity of any Seller, the termination of any trust or estate, dissolution or the occurrence of any other event. If any Seller should die or become incapacitated, if any trust or estate should terminate, if any Seller should be dissolved or if any other such event should occur, any action taken by the Sellers Representative will be as valid as if such death or incapacity, termination, dissolution or other event had not occurred, regardless of whether or not the Sellers Representative received notice of such death, incapacity, termination, dissolution or other event. Each Seller will be deemed a party or a signatory to any agreement, document, instrument or certificate for which the Sellers Representative signs on behalf of a Seller for which the Sellers

Representative had authority. In performing any of his duties under this Agreement or upon the claimed failure to perform his duties under this Agreement, the Sellers Representative will not be liable to a Seller for any Damages that such Persons may incur as a result of any act, or failure to act, by the Sellers Representative under this Agreement, and the Sellers Representative will be indemnified and held harmless by each Seller for all Damages.

ARTICLE II
REPRESENTATIONS AND WARRANTIES REGARDING
THE COMPANY AND THE BUSINESS

In order to induce Purchaser to enter into this Agreement, Sellers jointly and severally represent and warrant the following to Purchaser that, except as set forth in the corresponding sections of the disclosure schedule delivered by Sellers to Purchaser on the date of this Agreement (the “Disclosure Schedule”):

2.1 Organization and Qualification. The Company is a duly organized, validly existing limited liability company existing and in good standing under the Legal Requirements of the State of Florida. The Company is duly authorized to conduct business and is in good standing under the Legal Requirements of each jurisdiction where the nature of the business transacted by it makes qualification therein as a foreign limited liability company necessary, except as set forth on Section 2.3 of the Disclosure Schedules or where the failure to be so qualified would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. The jurisdictions in which the Company is qualified to do business as a foreign limited liability company are listed on Section 2.1(a) of the Disclosure Schedule. The Company has delivered to Purchaser complete and correct copies of its Organizational Documents now in effect, and it is not in default or in violation of any provision of such Organizational Documents.

2.2 Authority, Power and Enforceability. The Company has all requisite entity power and authority to enter into and consummate the transactions contemplated by any agreement contemplated hereby or delivered pursuant hereto to which it is a party. The execution, delivery, and performance of any agreement contemplated hereby or delivered pursuant hereto by the Company and the consummation of the transactions contemplated hereby and thereby by the Company have been duly authorized by all necessary limited liability company action. Any agreement contemplated hereby or delivered pursuant hereto to which the Company is a party, when executed and delivered, will constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms except as such enforceability may be limited by (i) applicable insolvency, bankruptcy, reorganization, moratorium, or other similar Legal Requirements affecting creditors’ rights generally, and (ii) applicable equitable principles (whether considered in a proceeding at law or in equity).

2.3 No Conflict; Required Filings and Consents. The execution, delivery, and performance by the Company of any agreement contemplated hereby or delivered pursuant hereto to which the Company is a party will not: (a) violate any Legal Requirement or Permit held by the Company or to which the Company is subject or violate the Company’s Organizational Documents; (b) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or result in any waiver or diminution of rights or claims held by the Company under any

Contract to which the Company is a party or by which the Company is bound or to which the assets of the Company are subject; or (c) result in the creation of any Lien on any of the Units or any asset of the Company. No consent, approval, order, or authorization of or from, or registration, notification, declaration, or filing with, any Person, including without limitation, any Governmental Authority, is required in connection with the execution, delivery, or performance by the Company of any agreement contemplated hereby or delivered pursuant hereto by the Company or the consummation by such Party of the transactions contemplated by this Agreement. Except as set forth on Section 2.3 of the Disclosure Schedules, there are no voting trust agreements, powers of attorney, member agreements, proxies, or any other Contracts to which the Company or any of the Sellers is a party, or by which the Company is bound, relating to the sale, transfer, voting, registration, acquisition, distribution rights, or disposition of any of the Units, or otherwise granting any Person any right in respect of the Units, and there are no existing restrictions on the transfer of the Units other than restrictions on transfer under applicable federal and state securities Legal Requirements.

2.4 Capitalization. The Company has no outstanding equity interests other than the Units, all of which are owned by the Sellers as set forth in Section 2.4 of the Disclosure Schedule, and all such Units have been duly authorized, validly issued, and are fully paid and nonassessable. None of the Units were offered, issued, sold, or delivered by the Company in violation of (i) the Securities Act of 1933 or any other applicable Legal Requirement, or (ii) any preemptive rights, rights of first refusal, rights of first offer, or similar rights. There are no Contracts to which the Company is party relating to the issuance, sale, or transfer of any equity securities or other securities of the Company. There are no options, warrants, convertible securities, or other rights, agreements, arrangements, or commitments to which the Company is party relating to the equity securities of the Company, or obligating the Company to issue, sell, or redeem any equity securities in the Company, and there are no outstanding or authorized equity interest appreciation, phantom equity interests, management equity incentive, or other such incentives relating to ownership for which the Company is or may be liable.

2.5 Subsidiaries. Except as set forth on Section 2.5 of the Disclosure Schedules, the Company has no Subsidiaries, nor has the Company ever had a Subsidiary. The Company does not own, directly or indirectly, any equity ownership interest in any other Person or the right to acquire any stock, partnership interest, joint venture interest, or other equity ownership interest in any other Person.

2.6 Financial Statements.

(a) Attached to Section 2.6(a) of the Disclosure Schedule are the following reviewed financial statements of the Business (the "Financial Statements"): (a) the unaudited balance sheets and related statements of income and cash flows of the Business for the calendar years ended December 31, 2014, December 31, 2015, and December 31, 2016 (the "Annual Financial Statements"); and (b) the unaudited balance sheet as of December 31, 2017, and related statement of income of the Business for the twelve-month period then ended (the "Interim Financial Statements"). The Financial Statements have been prepared on the accrual basis of accounting and in accordance with GAAP and fairly present the financial condition of the Business. The accounting practices of the Company have been consistently applied in accordance with GAAP for all periods

represented by the Financial Statements. The Company's financial books and records are complete and correct in all material respects, and the Financial Statements have been prepared on the basis of such financial books and records.

(b) The Company does not have any Liabilities, except Liabilities (i) reflected on or reserved against the Interim Financial Statements (or reflected in the notes thereto), and (ii) current Liabilities incurred since the date of the Interim Financial Statements in the Ordinary Course of Business.

(c) All accounts receivable reflected in the Interim Financial Statements and all accounts receivable arising subsequent to the date of the Interim Financial Statements and prior to the Closing Date represent arm's length transactions in the Ordinary Course of Business and, subject to a reserve for bad debts shown on the Interim Financial Statements or, with respect to accounts receivable arising after the date of the Internal Financial Statements in the Ordinary Course of Business, on the accounting records of the Company, will be collected in full without setoff, within 90 days after the day on which they first became due and payable. There is no contest, claim, defense, or right of setoff with any account debtor of the Business relating to the amount or validity of such accounts receivable, other than contests, claims, defenses or rights of setoff in the Ordinary Course of Business. The Company has not accelerated collections of any accounts receivable outside of the Ordinary Course of Business, and the Company has not failed to pay any current Liabilities prior to the date such payments are due.

(d) All of the Inventory of the Business (i) consists of a quality and quantity which (A) is properly reflected and valued in the Interim Financial Statements in accordance with GAAP, and (B) is usable and saleable in the Ordinary Course of Business without discount or price reduction, and (ii) is located at the Company's facilities at the Real Property (excluding items of Inventory in transit in the ordinary course of business). The value of Inventory known to the Company to be obsolete or below standard quality has been written down or reserved against in the Interim Financial Statements.

(e) The Company is exempt from duties for product imported from countries identified in the Generalized System of Preferences. The Company is entitled to a refund of duties previously paid to Governmental Authorities following the expiration of the Generalized System of Preferences on December 31, 2017 in the amount set forth on Section 2.6(e) of the Disclosure Schedule (the "GSP Refund"). The Company has no Liability to any Governmental Authority for any duties or similar amounts that have not been timely paid, and except as and to the extent set forth in the Closing Working Capital as finally determined, the Company has no Liability to any of its vendors for any duties previously withheld by the Company.

2.7 Indebtedness. Section 2.7 of the Disclosure Schedule sets forth all Indebtedness of the Company and all obligations of others guaranteed by the Company. The Company is not in default of any of its respective obligations under its Indebtedness or guarantees.

2.8 Absence of Certain Changes. Except as disclosed in Section 2.8 of the Disclosure Schedule, since December 31, 2016, the Company has conducted the Business in the Ordinary Course of Business, and the Company has not:

(a) incurred any Indebtedness or become subject to any Liabilities, except Current Liabilities incurred in the Ordinary Course of Business and ordinary course Liabilities pursuant to executory contracts and other commercial obligations incurred in the Ordinary Course of Business;

(b) mortgaged, pledged, or subjected any of its assets to any Liens, other than Permitted Liens;

(c) sold, assigned, transferred, leased, or licensed any assets in excess of \$50,000 other than in the Ordinary Course of Business;

(d) sold, assigned, transferred, abandoned, or permitted to lapse any Permits;

(e) sold, assigned, or transferred any patents, registered trademarks, trade names, registered copyrights, or other Intellectual Property, or disclosed any proprietary information with respect to the Business other than in the Ordinary Course of Business;

(f) disclosed any trade secret information that is material to the Business except subject to confidentiality obligations that are valid and binding on the recipient;

(g) suffered any extraordinary losses or waived any rights of material value, whether or not covered by insurance and whether or not in the Ordinary Course of Business;

(h) issued any equity securities, securities convertible into its equity securities, or warrants, options, or other rights to acquire its equity securities;

(i) made any capital investment in, or any loan to, any other Person;

(j) made any capital expenditures or commitments therefor in excess of \$50,000;

(k) made any change in, established, adopted, or terminated any Benefit Plan, labor, or collective bargaining agreement or trust or fund, or made any material changes in wages, salary, or other compensation, or granted or paid any material bonus, benefit, or other direct or indirect compensation, in each case, with respect to its current or former officers, employees, or consultants, other than as required by the terms of any Benefit Plan or pursuant to an applicable Legal Requirement;

(l) purchased or redeemed any of its outstanding equity securities;

(m) paid, loaned, or advanced (other than the payment of salary and benefits in the Ordinary Course of Business or the payment, advance, or reimbursement of expenses in the Ordinary Course of Business) any amounts to, or sold, transferred, or leased any of

its assets to, or entered into any other transactions with, any Affiliates or Insiders of the Company, or made any loan to, or entered into any other transaction with, any directors or officers of the Company;

(n) made any change in its accounting or Tax reporting principles, methods, or policies;

(o) made, changed, or revoked any Tax election or settled or compromised any Tax claim or Liability or entered into a settlement or compromise, or prepared or filed any income or other Tax Return (or any amendment thereof) unless such Tax Return will have been prepared or filed in a manner consistent with past practice;

(p) conducted its billing or collection of receivables, replacement of inventory, and payment of trade payables other than in the Ordinary Course of Business;

(q) commenced any litigation or binding dispute resolution process or settled or compromised any pending or threatened suit, action, or claim;

(r) amended its Organizational Documents;

(s) entered into any other material transactions, other than in the Ordinary Course of Business;

(t) discontinued operations at any location;

(u) experienced a Material Adverse Effect; or

(v) agreed to do any of the foregoing.

2.9 Title to Assets; Condition of Assets. The Company has good and marketable title to, or a valid leasehold interest in, all of the assets of the Company used in the conduct of the Business (including but not limited to the assets reflected in the Interim Financial Statements), free and clear of all Liens, other than Permitted Liens. The assets owned by the Company constitute all of the assets necessary to conduct the Business as presently conducted. No Person other than the Company owns or leases any asset that is necessary or desirable in connection with the conduct of the Business as conducted as of the date of this Agreement or as proposed to be conducted as of the date of this Agreement. All items of personal property owned or leased by the Company are in good operating condition and repair, ordinary wear and tear excepted, and are sufficient for the continued conduct of the Business after the Closing in substantially the same manner as conducted as of the date of this Agreement. None of the personal property of the Company is located at any location other than the Real Property.

2.10 Compliance with Laws and Regulations; Permits.

(a) Section 2.10(a) of the Disclosure Schedule sets forth a complete listing and summary description of all permits, approvals, registrations, franchises, licenses, certificates, accreditations and other authorizations of Governmental Authorities (the "Permits") required for the conduct of the Business. The Company owns or possesses all

right, title and interest in and to all of the Permits that are necessary for it to own and operate the Business as presently conducted, and all such Permits will be available for use by the Company on identical terms and conditions immediately subsequent to the Closing. The Company has complied with and is in compliance in all material respects with the terms and conditions of all such Permits and has not received any notices that any is in violation of any of the terms or conditions of any Permits. Purchaser has been provided with copies of any filings made by the Company in connection with Company's use of the Permits or that are otherwise necessary to own and operate the Business pursuant to such Permits, and such filings contain information that is true, accurate and complete in all respects. All information provided by the Sellers or the Company in connection with the transfer of or request for consent from any Governmental Authority in regards to any Permit is true, complete and correct in all material respects.

(b) The Company is in compliance in all material respects with all applicable Legal Requirements, and no claims, notices, investigation, inquiry, audit or review by any Governmental Authority with respect to the Company is filed, pending or threatened against the Company alleging any failure to so comply. To the Knowledge of the Company, no event has occurred or circumstance exists that (with or without notice or lapse of time) constitutes or will result in a violation by the Company of, or a failure on the part of the Company to substantially comply with, any applicable Legal Requirements, including any Legal Requirements in connection with the operation of the Business.

2.11 Taxes.

(a) The Company has timely filed with the appropriate Governmental Authorities all Tax Returns that it was required to file. All such Tax Returns were true, correct and complete in all material respects. All Taxes and Tax Liabilities (whether or not shown on any Tax Return) due and payable by the Company with respect to income, assets or operations of the Company have been fully and timely paid. The Company has not been granted nor is currently the beneficiary of any waiver or extension of time applicable to any claim for, or the statute of limitations for, the payment, collection or assessment of Taxes, or the statute of limitations within which to file any Tax Return. No claim has ever been made (and no claim, audit or other examination is pending or threatened) by any Governmental Authority in a jurisdiction where the Company does not file Tax Returns, that it is, or may be, subject to taxation by that jurisdiction or that Taxes may be assessed by such jurisdiction with respect to the Company's assets or activities. There are no Liens for Taxes (other than Liens on real estate and personal property Taxes or assessments not yet due and payable and for which adequate reserves have been posted on the Financial Statements) on any of the assets of the Company. The Company has timely withheld and paid all Taxes required to have been withheld and paid in connection with amounts paid or owing to any employee, independent contractor, creditor, member or other third party. Section 2.11(a) of the Disclosure Schedule contains a correct and complete list of all audits of Tax Returns of each of the Sellers and the Company since December 31, 2010. There is not outstanding any notice received by the Company from any Governmental Authority that it is subject to an audit, investigation, claim, assessment, levy, administrative proceeding, lawsuit or other examination (and no such

action is pending or, the Knowledge of the Company, threatened) that could reasonably be expected to affect the Tax Liability of the Company. There is outstanding no dispute or claim concerning any Tax of the Company. The Financial Statements reflect accurate accruals for all Taxes owed by the Company (including Taxes not yet due and payable for the Pre-Closing Tax Period) and there is no Tax Liability in excess of the amounts accrued on the Financial Statements. The Company has delivered to Purchaser correct and complete copies of all Tax Returns, examination reports, and statements of deficiencies assessed against or agreed to by the Company since December 31, 2012. The Company is not a party to any Tax allocation, sharing, indemnity or similar agreement, arrangement, understanding or practice. The Company has no Liability for the Taxes of any other Person, under Treasury Regulation Section 1.1502-6 (or similar provision of state, local or foreign law), as a transferee or successor, by Contract, or otherwise.

(b) The Company is not, and has not been, a member of an affiliated group of corporations within the meaning of Section 1504(a) of the Code (or any similar Legal Requirement).

(c) The Company is not the subject of any private letter ruling of the Internal Revenue Service or comparable rulings of other Governmental Authorities.

(d) The Company has not engaged in any “reportable transactions” as defined in Treasury Regulation Section 1.6011-4(b). The Company has disclosed on its U.S. federal income Tax Return all positions taken therein that could give rise to a substantial understatement of income within the meaning of Section 6662 of the Code.

(e) The Company has been a partnership or disregarded entity within the meaning of Treasury Regulation Section 301.7701-3(b) at all times since its organization and no election has been filed to treat the Company as an association.

(f) None of the Sellers is a “foreign person” within the meaning of Section 1445 of the Code.

2.12 Environmental Matters. Except as set forth in Section 2.12 of the Disclosure Schedule: (a) all Hazardous Materials and wastes of the Company have been disposed of in accordance with all Environmental Laws; (b) the Company has not received any notice of any noncompliance of the Real Property or any past or present operations of the Company with Environmental Laws; (c) no notices, administrative actions, or suits are pending or, to the Knowledge of the Company, threatened, relating to an actual or alleged violation of any applicable Environmental Laws by the Company; (d) to the Knowledge of the Company, the Company is not a potentially responsible party under the federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, or any analogous state, local, or foreign Legal Requirements; (e) to the Knowledge of the Company, there have not been in the past, and are not now, any Hazardous Materials on, under, or migrating to or from any of the Real Property; (f) to the Knowledge of the Company, there have not been in the past, and are not now, any underground tanks or underground improvements at, on or under the Real Property, including treatment or storage tanks, sumps, or water, gas or oil wells; (g) the Company is and at

all times has been in compliance in all material respects with all applicable Environmental Laws, which compliance includes the possession and material compliance with the terms and conditions of all Permits required under Environmental Laws for the conduct of the Business and occupation of the Real Property, and all such Permits are listed on Section 2.12 of the Disclosure Schedule; and (h) the Company has provided to Purchaser all environmental reports, studies, Permits, audits, site assessments, risk assessments, and other similar document with respect to the Real Property, the Company, and the Business that are in its possession or control.

2.13 Intellectual Property.

(a) Section 2.13(a) of the Disclosure Schedule identifies (a) each item of registered Intellectual Property owned by or used under license by the Company, and (b) each item of material unregistered Intellectual Property owned by or used under license by the Company, and identifies whether each such item of Intellectual Property is owned or licensed by the Company. The registered Intellectual Property listed on Section 2.13(a) of the Disclosure Schedule is valid, subsisting, in full force and effect, and has not been cancelled, expired or abandoned; the Company has not abandoned or cancelled or permitted to be abandoned, cancelled or lapsed, any such registered Intellectual Property; and there have there no interference actions, re-examinations, cancellation proceedings, or similar adversarial proceedings with respect to any such registered Intellectual Property. All fees associated with maintaining any registered Intellectual Property listed on Section 2.13(a) of the Disclosure Schedule and that are due and payable have been paid in full in a timely manner to the proper Governmental Authority, and all actions required to maintain any registered Intellectual Property listed on Section 2.13(a) of the Disclosure Schedule have been taken, and no such fees are due, and no such actions are required, within the three (3) month period after the Closing Date. None of the Intellectual Property owned or licensed by the Company is subject to any Liens (other than Permitted Liens) or any restrictions or limitations regarding use or disclosure, other than pursuant to a written Contract applicable thereto and identified on Schedule 2.18(a)(xix) of the Disclosure Schedule.

(b) The Company owns all rights in or otherwise possesses adequate licenses or other rights to use all Intellectual Property necessary in connection with the conduct of the Business as currently conducted, including but not limited to the Intellectual Property described on Section 2.13(a) of the Disclosure Schedule, and the Intellectual Property owned by the Company constitutes all Intellectual property that is necessary in connection with the conduct of the Business as currently conducted. The Company is not subject to any obligation, including any license or royalty obligation, relating to the current and former conduct of the Business. The Business, as currently and formerly conducted, has not infringed, misappropriated, diluted or otherwise violated, and does not infringe, dilute, misappropriate or otherwise violate, the Intellectual Property or other rights of any Person. To the Knowledge of the Company, no Person has infringed or is infringing any of the Company's Intellectual Property. Neither the Sellers nor any of their respective Affiliates nor any other Person other than the Company owns or has any interest in any of the Intellectual Property that is necessary in connection with the conduct of the Business as currently conducted.

(c) All employees and independent contractors (including consultants) that have participated in the development or creation of any material Intellectual Property have executed appropriate assignment agreements, pursuant to which each such employee or independent contractor has assigned to the Company all of its rights, in and to all such material Intellectual Property that relates to the Business, and that was conceived, created, authored or developed, in whole or in part, by such employee or independent contractor. No past or present employee or independent contractor of the Company has any ownership interest, license, permission or other right in or to any such Intellectual Property. None of the Intellectual Property owned or licensed by the Company has been used, divulged or appropriated for the benefit of any current or former employee of the Company or any other Person, or to the detriment of the Company or the Business, and the Company has taken commercially reasonable precautions to protect the secrecy and value of its trade secrets relating to the Business. With respect to each trade secret or other know-how of the Business, the Company possesses documentation relating to such trade secret that is current and accurate in all material respects and is reasonably sufficient in detail and content to allow its use without reliance on the knowledge or memory of any individual. To the Knowledge of the Company, no current employee or independent contractor of the Company has entered into or is a party to or is otherwise bound by any Contract that restricts or limits in any way the scope or type of work in which such employee or independent contractor may be engaged for the Business or requires such employee or independent contractor to transfer, assign or disclose information concerning his or her work performed for the Business to anyone other than the Company.

(d) The Company has adopted and maintains commercially reasonable safeguards (i) to protect the operation, confidentiality, integrity and security of the computer systems and other information technology systems ("Company IT Systems") owned or operated by the Company and the information and transactions stored therein or transmitted thereby and (ii) to prevent unauthorized or improper use, access, transmittal, modification or corruption of such information, and to the Knowledge of the Company, there has been no unauthorized access or use of any such information. The Company has not experienced any material disruption to, or material interruption in, the Company IT Systems, or the services provided by the Company through the use of the Company IT Systems in the prior three years. The Company has implemented and maintains commercially reasonable disaster recovery plans, which include regular back up and recovery of the data and information necessary to the conduct of the business of the Company and its Subsidiaries. To the Knowledge of the Company, the Company has not suffered a security breach with respect to the Company IT Systems or the information stored therein in the prior three years that has resulted in a loss of data, a breach of a Contract, or an obligation to provide notification of the breach to a third party.

2.14 Real Property.

(a) The Company leases the real property identified in Section 2.14 of the Disclosure Schedule (such leased real property, the "Real Property"), and has delivered to Purchaser a correct and complete copy of each lease for the Real Property. The Real Property constitutes all of the real property necessary to conduct the Business as

conducted as of the date of this Agreement. The Company does not own and has not in the past owned any real property interest. The Company has not at any time (a) had vested in it (whether as an original tenant or undertenant or as an assignee, transferee or otherwise) any freehold or leasehold property or (b) given any easement or entered into any deed or other document (whether as a tenant or undertenant or as an assignee, transferee, guarantor or otherwise) in respect of any freehold or leasehold property in respect of which any contingent or potential liability remains with the Company.

(b) There are no pending or, to the Knowledge of the Company, threatened condemnation or other proceedings relating to the Real Property or other matters adversely affecting the use or occupancy of the Real Property, and the Company has received no notice of the same. The Company has received all requisite approvals of Governmental Authorities (including Permits) required in connection with the operation of the Real Property and the Company has not received notice that the Real Property has not been operated and maintained in accordance with applicable Legal Requirements. With respect to the Real Property: (i) the Company's possession and quiet enjoyment of the Real Property under any lease relating thereto is not being disturbed by any landlord, and there are no disputes with respect to any lease relating thereto between landlord and tenant; (ii) no security deposit or portion thereof deposited with respect to any lease relating thereto has been applied in respect of a breach or default under such lease; (iii) the other party to any lease relating thereto is not an Affiliate of, and otherwise does not have any economic interest in, the Company; (iv) the Company has not subleased, licensed, or otherwise granted any Person the right to use or occupy such Real Property or any portion thereof; (v) the Company has not collaterally assigned or granted any other security interest in any lease relating thereto or any interest therein; (vi) there are no abatements of rent, bonuses, or other inducements provided to the Company with respect to any lease relating thereto; and (vii) the Company does not owe any brokerage commissions or finder's fees with respect to any lease relating thereto.

(c) The Real Property has unlimited access to public roads and streets without restriction which access is adequate to service the Real Property as currently used. The Real Property is supplied with utilities and other services necessary for the operation of the Business as currently conducted on such Real Property, including gas, electricity, water, telephone, sanitary sewer, and storm sewer which are installed to the property line of such Real Property and are connected pursuant to valid Permits, if necessary, to municipal or public utility services. The classification of the Real Property under applicable zoning laws permits the use and occupancy of such parcel and the operation of the Business as currently conducted thereon. All buildings, structures, improvements, fixtures, building systems, and equipment, and all components thereof that are included in the Real Property are structurally sound and in good operating conditions (reasonable wear and tear excepted).

2.15 Litigation. There is no legal action pending, or to the Knowledge of the Company, threatened against the Company, or against any of its assets or properties, including any Intellectual Property, or against any of its officers or managers in their capacities as such. There is no order against the Company, or any of its assets or properties, including any Intellectual Property, or any of its officers or managers in their capacities as such, and to the

Knowledge of the Company there is no Basis therefor. There is no legal action pending, or to the Knowledge of the Company threatened, against any Person who has a contractual right or other right pursuant to any of the Company's Organizational Documents or applicable Legal Requirements to indemnification from the Company, nor to the Knowledge of the Company is there any Basis that would give rise to any such action. There is no legal action by the Company pending or threatened or contemplated against any other Person. Section 2.15 of the Disclosure Schedule sets forth all legal actions to which the Company is a named party or has been a named party since December 31, 2012, and to the Knowledge of the Company there is no Basis for further Liability on the part of the Company with respect to any such legal action.

2.16 Employee Benefits.

(a) Section 2.16(a) of the Disclosure Schedule lists each Benefit Plan of the Company (collectively, the "Company Benefit Plans"). Each Company Benefit Plan has been and is drafted, maintained, funded, operated, and administered in material compliance with its terms, the applicable provisions of ERISA, COBRA, the Code, and all other applicable Legal Requirements, and no event has occurred and no condition exists that has subjected, or would reasonably be expected to subject, the Company to any material tax, fine, lien, penalty or other liability imposed by ERISA, the Code or any other applicable Legal Requirements. There are no underfunding liabilities with respect to any of the Company Benefit Plans. No Company Benefit Plan is under audit or review by any Government Authority and, to the Knowledge of the Company, no such audit or review has been threatened. No charge, complaint, or proceeding with respect to any Company Benefit Plan is pending or, to the Knowledge of the Company, has been threatened against any such Benefit Plan. The Company is not in default under or violation of, and to the Knowledge of the Company, there has not been any default or violation by any other party to, any of the Company Benefit Plans. There has been no "prohibited transaction," as such term is defined in Section 4975 of the Code or Section 406 of ERISA, which could subject any Company Benefit Plan or associated trust or the Company to any material Tax or penalty. The Company does not have any Liability under ERISA or the Code as a result of its being a member of a group described in Sections 414(b), (c), (m) or (o) of the Code.

(b) With respect to each Company Benefit Plan, the Company has delivered to Purchaser accurate, current, and complete copies of each of the following: (i) where the Company Benefit Plan has been reduced to writing, the plan document together with all amendments; (ii) where the Company Benefit Plan has not been reduced to writing, a written summary of all plan terms; (iii) where applicable, copies of any trust Contracts, custodial Contracts, insurance policies, administration Contracts, and similar Contracts, and investment management or investment advisory Contracts; (iv) copies of any summary plan descriptions, employee handbooks, or similar employee communications relating to any Company Benefit Plan; (v) in the case of any Company Benefit Plan that is intended to be qualified under Section 401(a) of the Code, a copy of the most recent determination or opinion letter from the Internal Revenue Service; (vi) in the case of any Company Benefit Plan for which Forms 5500 are required to be filed, a copy of the filed Form 5500, with schedules attached, for the last three Company Benefit Plan years; (vii) nondiscrimination testing reports for the last three Company Benefit Plan years, and (viii)

copies of notices, letters, or other correspondence from the Internal Revenue Service, Department of Labor, Pension Benefit Guaranty Corporation, or other Governmental Authority relating to any of the Company Benefit Plans.

(c) The Company does not have any obligation to provide health benefits or death benefits to any employee of the Company, or any dependent of such employee following the termination of such employee's employment, except as specifically required by applicable Legal Requirements. Neither the execution or delivery of this Agreement or the consummation of the transactions contemplated hereby (either alone or together with any other event) will not, directly or indirectly, (i) entitle any Person currently or formerly providing services to the Company to severance pay or any other payment or form of compensation or benefit upon termination of services, (ii) accelerate the time of payment or vesting or increase the amount of compensation due from the Company to any such current or former service provider, or (iii) give rise to the payment of any amount that would not be deductible or for which an excise Tax would be imposed pursuant to the terms of Section 280G of the Code. With respect to each Company Benefit Plan that is a "nonqualified deferred compensation plan" within the meaning of Section 409A(d)(1) of the Code and is subject to Section 409A of the Code, (i) the written terms of such Company Benefit Plan have at all times been in compliance with, and (ii) such Company Benefit Plan has, at all times while subject to Section 409A of the Code, been operated in compliance with Section 409A of the Code. The Company does not have any obligation under or with respect to any Company Benefit Plan that could reasonably be expected to be subject to an excise Tax under Section 409A of the Code. The Company does not have any obligation to gross-up, reimburse or indemnify any individual with respect to any Taxes, including those imposed pursuant to Sections 409A or 4999 of the Code.

(d) With respect to the Company Benefit Plans, all required payments by or contributions of the Company have been made when due.

(e) None of the Company Benefit Plans are subject to Title IV of ERISA or provide for medical or life insurance benefits to retired or former employees of the Company (other than as required under Code Section 4980B, or similar state Legal Requirement and at the sole expense of such individual). The Company is not a participating or contributing employer in any "multiemployer plan" (as defined in Section 3(37) of ERISA) with respect to employees of the Company, nor has the Company incurred any withdrawal Liability with respect to any multiemployer plan or any Liability in connection with the termination or reorganization of any multiemployer plan. Except as disclosed on Schedule 2.16(e), no Company Benefit Plan is (i) a "multiple employer welfare arrangement (as defined in Section 3(40) of ERISA), (ii) a "multiple employer plan" (as defined in Section 413(c) of the Code), or (iii) a "welfare benefit trust" or "voluntary employees beneficiary association" within the meaning of Sections 419, 419A or 501(a)(9) of the Code.

(f) No condition exists that would prevent the Company from amending or terminating any Company Benefit Plan without liability to the Company (other than for benefits accrued at the time of termination). The Company has expressly reserved the

right to amend, modify or terminate any Company Benefit Plan, or any portion of it, and has made no representations (whether orally or in writing) which would conflict with or contradict such reservation or right. Purchaser shall not have any liability with respect to any Benefit Plan.

2.17 Insurance. Section 2.17 of the Disclosure Schedule contains a list of each insurance policy, bond, or other form of insurance maintained by the Company (the “Insurance Policies”). The Company has promptly notified its insurance carriers of any and all pending claims with respect to its assets or the Business for which it is or may be insured. Section 2.17 of the Disclosure Schedule also contains a list and description of all claims made by the Company against the Insurance Policies since December 31, 2012, and, with respect to the claims listed on Section 2.17 of the Disclosure Schedule, the Company has not been informed that coverage has been questioned, denied, or disputed by the underwriters of such policies with respect to any such claims. All Insurance Policies are in full force and effect, and the Company is not, and to the Knowledge of the Company no other party is, in default with respect to its obligations under any of the Insurance Policies. No notice of cancellation or termination has been received by the Company with respect to any Insurance Policy, and no event has occurred that (with or without the passage of time or giving of notice) would reasonably be expected to constitute a material breach or material violation of or a material default under, conflict with or give rise to or create any right or obligation of any Person to accelerate, increase, terminate, renegotiate, modify or cancel any material right or material Liability under, any such Insurance Policy, including that all premiums due with respect to such Insurance Policy have been paid. The Insurance Policies are sufficient for compliance with all Applicable Laws and all Contracts to which the Company is a party.

2.18 Contracts.

(a) Section 2.18 of the Disclosure Schedule contains a list of the following Contracts (the “Material Contracts”) to which the Company is a party, or by which the Company’s assets or properties are bound:

(i) Contracts for the acquisition or sale of any securities or any substantial portion of the assets or business of or to any other Person whether completed or pending;

(ii) Contracts that involve the performance of services or delivery of goods or materials by the Company that is reasonably expected to result in revenue to the Company after the date of this Agreement in excess of \$50,000 over the remaining life of such Contract;

(iii) Contracts that involve the performance of services for, or delivery of goods or materials to, the Company that are reasonably expected to result in expenditures by the Company after the date of this Agreement in excess of \$50,000 over the remaining life of such Contract;

(iv) Contracts with a Governmental Authority;

(v) Contracts relating to or for the employment, or engagement as an independent contractor, of any Person on a full-time, part-time, consulting or other basis, including without limitation any plan, program, policy, or handbook relating to severance, bonuses, employment policies, or other employment-related matters;

(vi) pension, profit sharing, stock option, employee stock purchase, or other plans or arrangements providing for deferred or other compensation to employees, or any other Company Benefit Plans, arrangements or practices, whether formal or informal, or any Contracts calling for severance pay or benefits, retention bonus payments or benefits, or change of control payments or benefits;

(vii) indenture, mortgage, note, loan agreement, equipment financing agreement, installment obligation, or other similar Contracts relating to Indebtedness;

(viii) Contracts that, by their terms, contain exclusivity or non-competition restrictions that materially restrict the ability of the Company to compete in any geographical area or business, or to compete with any Person, or that have or could have the effect of prohibiting or impairing the Business, or prohibiting or limiting any acquisition of property (tangible or intangible), in each case, with respect to the Business as being conducted and as proposed to be conducted, including any Contract that limits the Company's ability to make use of any Intellectual Property;

(ix) Contracts to provide a guaranty, indemnification, reimbursement, contribution, assumption, or endorsement of, or any substantially similar commitment with respect to, the Liabilities or Indebtedness of any other Person except Contracts containing standard indemnification provisions entered into in the Ordinary Course of Business;

(x) distribution, third party reseller, dealer, agency, franchise, advertising, revenue sharing, alliance, joint venture, marketing, or similar Contracts to which the Company is a party;

(xi) Contracts under which the Company is (A) a lessee of or holds or operates any real property or any tangible or intangible personal property (including but not limited to machinery, equipment, motor vehicles, trailers, office furniture, IT equipment, or fixtures) owned by any other Person in which the aggregate annual rental payments exceed \$25,000, or (B) a lessor of, or permits any other Person to hold or operate, any intangible or tangible property (real or personal) owned by the Company;

(xii) Contracts that obligate the Company to provide best pricing to any third party, exclusively purchase goods or services from any third party, or otherwise include minimum purchase requirements from any third party;

(xiii) Contracts that grant exclusive sales, distribution, marketing or other exclusive rights, rights of refusal, rights of first negotiation or equivalent rights and/or terms to any Person;

(xiv) Contracts that limit the right of the Company to sell, distribute, or manufacture any products or services, to purchase or otherwise obtain any software, products, or services, or to hire or solicit potential employees, consultants, or independent contractors other than non-solicitation of employee terms in any out-bound customer license agreements;

(xv) Contracts for capital expenditures with remaining obligations in excess of \$50,000;

(xvi) Contracts containing confidentiality, secrecy, or non-disclosure clauses that were entered into outside the Ordinary Course of Business;

(xvii) any investment banking, placement, broker or substantially similar Contract;

(xviii) any Contract that contemplates the payment of royalties, commissions or other payments based on provision of services or sales of products, whether related to licensing or development of Intellectual Property or otherwise;

(xix) any Contract providing for the license of any Intellectual Property by the Company, or granting any rights by the Company to any third party relating to any Intellectual Property, or the development or creation of any Intellectual Property for or on behalf of the Company;

(xx) any Contract of the Company that, by its terms, contains any fee, payment, expense reimbursement, liquidated damages, early termination payments, minimum purchase or payment requirements, accelerated payments or other similar amounts, however described or characterized, that are or may become payable to any third party in connection with or as a result of (i) the consummation of the transactions contemplated by this Agreement, or (ii) the election to terminate prior to expiration or not to renew such Contract in accordance with its terms; and

(xxi) Contracts that individually, or collectively with related Contracts, represent a material portion of the revenue of the Business or are otherwise material to the Business.

(b) The Company has provided to Purchaser an accurate, correct, and complete copy of each written Material Contract and a written description of the material terms of each oral Material Contract. Except as set forth in Section 2.18(b) of the Disclosure Schedule, no consent, permission, waiver, or approval is required to be obtained from, and no penalty, assessment, or special payment is required to be paid to, and no notice is required to be sent to, any third party or Governmental Authority in order

to preserve for the Company the benefits of the Contracts to which the Company is a party after the consummation of the transactions contemplated by this Agreement. The Company has performed all obligations required to be performed by it to date under the Material Contracts, and, to the Knowledge of the Company, there are no defaults by any other party thereto, and no event has occurred (or failed to occur) that, with the passing of time or the giving of notice or both would reasonably be expected to constitute a default by the Company under any such Material Contract, including the consummation of the transactions contemplated by this Agreement (and, for the avoidance of doubt, the Sellers acknowledge that any consent requirement or right to terminate or modify such Material Contract as a result of the transactions contemplated by this Agreement would be material). Each Material Contract is a valid and binding obligation of the Company, enforceable against such Party in accordance with its terms except as such enforceability may be limited by (i) applicable insolvency, bankruptcy, reorganization, moratorium, or other similar Legal Requirements affecting creditors' rights generally, and (ii) applicable equitable principles (whether considered in a proceeding at law or in equity).

(c) Except as set forth on Section 2.18(a)(xx) above, neither the Company nor any Seller is a party to any Contract that provides for any fee, payment, expense reimbursement, liquidated damages, early termination payments, minimum purchase or payment requirements, accelerated payments or other similar amounts, however described or characterized, that are or may become payable to any third party in connection with or as a result of (i) the consummation of the transactions contemplated by this Agreement, or (ii) the Company's election to terminate prior to expiration or not to renew such Contract in accordance with its terms.

(d) Each Material Contract that is not in writing is terminable by the Company at will with no additional payment. Each purchase order relating to the purchase or sale by the Company of any products and pursuant to which there are any executory obligations is governed by the Company's standard terms and conditions, complete and correct copies of which has been made available to Purchaser.

2.19 Employment Matters.

(a) The Company is not a party to and is not bound by any collective bargaining agreement with any labor organization or works council. The Company has not experienced any strike, lockout, or grievance, claim of unfair labor practices or other collective bargaining dispute, and, none are pending, or, to the Company's Knowledge, threatened. There are no material disputes pending, or, to the Company's Knowledge, threatened between the Company and its employees. To the Company's Knowledge, there are no current union representation questions or union organizing activities involving employees of the Company, nor are any employees of the Company represented by any labor organization or works council.

(b) The Company is and has been in compliance in all material respects with all applicable Legal Requirements and regulations with respect to employment, employee relations, employee leaves, discrimination in employment, terms and conditions of employment, termination of employment, civil and human rights, equal pay, holiday pay,

wages, hours, overtime pay, occupational safety and health, workers' compensation, employee whistle-blowing, immigration (including, without limitation, Form I-9 compliance), employee Privacy Laws, withholding and payment of employment-related Taxes, employment practice, and classification of employees and independent contractors, and the Company does not have any outstanding current or contingent Liability as a result of any non-compliance with any of the foregoing Legal Requirements or regulations.

(c) To the Knowledge of the Company, no employee or independent contractor of the Company is subject to any restrictive covenant or any other obligation for the benefit of any third party that adversely affects the ability of such employee or independent contractor to perform his or her duties with the Company.

(d) Except as set forth on Section 2.19 of the Disclosure Schedule, no employees of the Company: (i) are out on a leave of absence (whether related to disability, under the FMLA, or otherwise under any applicable Legal Requirements); (ii) are on maternity leave for a period that is expected to exceed three (3) months; or (iii) have, at any time during the period of two (2) years prior to the date of this Agreement, been on long-term sick leave or any other continuous absence from work (other than maternity leave) for a period that exceeded or is expected to exceed three (3) months.

2.20 Employees. Section 2.20 of the Disclosure Schedule sets forth a correct and complete list of all employees, consultants, or contractors of the Company, and sets forth for each such individual the following: (a) name; (b) title or position (including whether full or part-time); (c) whether an employee, consultant, or contractor; (d) city and state of employment; (e) hire date; (f) current annual base compensation rate (annualized salary if paid a salary, hourly rate if paid hourly); (g) commission, bonus, or other incentive-based compensation; (h) exempt/non-exempt classification under wage and hour laws; and (i) the current rate of such compensation paid or anticipated to be payable to each such individual through December 31, 2018. Except as set forth in Section 2.20 of the Disclosure Schedule, there have been no changes in such compensation since December 31, 2017, other than in the Ordinary Course of Business, in each case including bonuses and other compensation and fringe benefits. Since December 31, 2017, the Company has not made any pension, bonus, or other payment, other than base salary or fees, or become obligated to make any such payment, to any employee, consultant, or contractor other than in the Ordinary Course of Business. Section 2.20 of the Disclosure Schedule lists any employee handbook and/or personnel manuals that in any way affect such employees, correct and complete copies of which have been given to Purchaser. The Company has no outstanding loans or advances to employees, consultants, or contractors. Any individual performing services for the Company who has been classified by the Company as an independent contractor has been correctly so classified and is in fact not an employee of the Company under common law or civil law. All employees of the Company who have been classified by the Company as exempt under applicable wage and hour Legal Requirements have been correctly so classified. To the Knowledge of the Company, no employee, group of employees, or independent contractor has any plans to terminate employment or the contract relationship, as applicable, with the Company.

2.21 Affiliate Transactions. Except as set forth in Section 2.21 of the Disclosure Schedule, the Company is not a party to any Related Party Transaction or has been a party to any Related Party Transaction since December 31, 2012.

2.22 Brokerage. Except as set forth in Section 2.22 of the Disclosure Schedule, none of the Sellers or the Company has retained any broker in connection with the transactions contemplated by this Agreement. Neither Purchaser nor any Affiliate of Purchaser will have any obligation to pay any broker's, finder's, investment banker's, financial advisor's, or similar fees in connection with this Agreement or the transactions contemplated by this Agreement by reason of any action taken by the Sellers or the Company.

2.23 Suppliers and Customers. Section 2.23 of the Disclosure Schedule sets forth a list of the top 10 customers of the Business and the top 10 suppliers of the Business by dollar volume of sales and purchases with respect to the Business for the fiscal years ended December 31, 2017 and December 31, 2016. Except as set forth on Section 2.23 of the Disclosure Schedule, since December 31, 2016, the Company has not received any written notice from any customer or supplier listed on Section 2.23 of the Disclosure Schedule to the effect that any such customer or supplier will stop, materially decrease the rate of, or materially change the pricing terms with respect to, purchasing or selling products or services from or to the Company; provided, however, that fluctuations in order volumes and negotiated concessions on pricing that have occurred in the Ordinary Course of Business and that, individually, do not involve a material and negative impact to the Company that exceed, or would reasonably be expected to exceed, \$200,000 will not constitute a breach of the foregoing representation. The Company has not received written notice, and the Company has no Knowledge, that any such customer has plans or has threatened to stop or to decrease the rate of business done with the Company by an amount that exceeds, or that would reasonably be expected to exceed, \$200,000. The Company has not received written notice, and the Company has no Knowledge, that any such supplier has plans or has threatened to stop or to decrease the rate of business done with the Company by an amount that exceeds, or that would reasonably be expected to exceed, \$200,000.

2.24 Financial Accounts and Authority. Section 2.24 of the Disclosure Schedule hereto contains a true and complete list of all banks, trust companies, and financial institutions in which the Company maintains accounts or safe deposit vaults, each account number, and the names of all Persons authorized to draw thereon. There are no outstanding powers of attorney executed on behalf of the Company with respect to such accounts or safe deposit vaults.

2.25 Warranties and Certifications; Product Liability. Except for warranties made to customers in the Ordinary Course of Business, the terms of which are completely and accurately described in Section 2.25 of the Disclosure Schedule, the Company makes no express or implied warranty or guaranty as to services rendered or goods provided by the Business. Each product manufactured and sold by the Company has been in conformity in all material respects with all applicable certifications and all applicable contractual commitments of the Company, and the Company has not recalled any products. There is no pending or, to the Knowledge of the Company, threatened claim alleging any non-compliance with any applicable certification or any breach of any applicable warranty, and, to the Knowledge of the Company, no Basis for any such claim exists. The Company has not been required to pay any damages to any Person in connection with the provision of any services or the sale of any products at any time since

December 31, 2012. The Company has no Liability for products and services sold by the Company that exceeds or could reasonably be expected to exceed any applicable product warranty reserve set forth in the Financial Statements. The Company has no Liability arising out of any injury to any Person or property as a result of the ownership, possession, or use of any product or service sold by the Company prior to the Closing Date.

2.26 No Material Misstatements or Omissions. No representation or warranty made by the Sellers in this Agreement (including the Disclosure Schedules) or in any Additional Agreement delivered or to be delivered to Purchaser pursuant hereto or in connection with the transactions contemplated hereby contains any untrue statement of a material fact or omits to state a material fact required to be stated herein or therein or necessary to make such representation and warranty, in light of the circumstances in which it was made, not misleading.

ARTICLE III REPRESENTATIONS AND WARRANTIES REGARDING THE SELLERS

In order to induce Purchaser to enter into this Agreement, each Seller hereby severally and not jointly represents and warrants the following to Purchaser that, except as set forth in the corresponding sections of the Disclosure Schedule:

3.1 Organization and Qualification; Limited Activities. If an entity, such Seller is duly incorporated or organized and validly existing under the Legal Requirements of the state of its incorporation or organization, and is duly authorized to conduct business and is in good standing under the Legal Requirements of its incorporation or organization, and is not required to be qualified as a foreign corporation under the Legal Requirements of any other jurisdiction, except where the failure to be so qualified would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. If an entity, such Seller has delivered to Purchaser complete and correct copies of its Organizational Documents now in effect, and such Seller is not in default under or in violation of any provision of such Organizational Documents. Such Seller has all the requisite power, authority, and capacity to own, lease, and operate its assets.

3.2 Authority, Power and Enforceability. Such Seller has all requisite entity power and authority to enter into and consummate the transactions contemplated by this Agreement and any additional agreement contemplated hereby or delivered pursuant hereto to which it is a party. Such Seller's execution, delivery, and performance of this Agreement and any additional agreement contemplated hereby or delivered pursuant hereto, and the consummation by such Seller and the Company of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate action (if any) of such Seller. This Agreement and any other agreement contemplated hereby or delivered pursuant hereto to which such Seller is a party, when executed and delivered, will constitute valid and binding obligations of such Seller, enforceable against such Seller in accordance with their terms except as such enforceability may be limited by (i) applicable insolvency, bankruptcy, reorganization, moratorium, or other similar Legal Requirements affecting creditors' rights generally, and (ii) applicable equitable principles (whether considered in a proceeding at law or in equity).

3.3 No Conflict; Required Filings and Consents. Neither the execution and delivery of this Agreement, nor the performance of the provisions hereof to be performed by such Seller, nor the transactions contemplated hereby, will: (a) violate any Legal Requirement to which such Seller is subject; (b) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or result in any waiver or diminution of rights or claims held by such Seller under any agreement, lease, license, instrument, or other arrangement to which such Seller is a party or by which such Seller is bound or to which the assets of such Seller are subject; or (c) result in the creation of any Lien on any assets of such Seller. No consent, approval, order, or authorization of or from, or registration, notification, declaration, or filing with, any Person, including without limitation, any Governmental Authority, is required in connection with the execution, delivery, or performance of this Agreement or any other agreement contemplated hereby or delivered pursuant hereto by such Seller or the consummation by such Seller of the transactions contemplated by this Agreement.

3.4 Title to Equity. Such Seller has good and valid title to and beneficial ownership in the Units of the Company owned by such Seller, free and clear of all Liens. Other than the Units set forth on Section 3.4 of the Disclosure Schedule, such Seller owns no equity interests of the Company, or any option, warrant, right, call, commitment or right of any kind to have any such equity interest issued. Neither such Seller nor the Units owned by such Seller are a party to or subject to any option, call, or other agreement relating to the disposition of or governance rights associated with such Units.

3.5 Legal Proceedings. There are no suits, actions, claims, proceedings or investigations pending or, to the Knowledge of such Seller, threatened against, relating to or involving such Seller that could reasonably be expected to adversely affect the Company's or any Seller's ability to consummate the transactions contemplated by this Agreement or any other agreement contemplated hereby or delivered pursuant hereto or which otherwise relate to the transactions contemplated by this Agreement.

3.6 Amounts Owed to Sellers. Such Seller does not owe and is not obligated to pay the Company, and the Company does not owe and is not obligated to pay such Seller, any amount in such Person's capacity as a direct or indirect owner of equity interests of the Company or in any other capacity other than, if applicable, regularly scheduled compensation of the Company as an employee in the Ordinary Course of Business. Such Seller (whether in his or its capacity as a direct or indirect owner of equity interests of the Company or in any other capacity, including as an officer and director of the Company) has no claim of any kind against the Company.

3.7 Brokerage. Except as set forth in Section 3.7 of the Disclosure Schedule, such Seller has not retained any broker in connection with the transactions contemplated by this Agreement. Neither Purchaser nor any Affiliate of Purchaser will have any obligation to pay any broker's, finder's, investment banker's, financial advisor's, or similar fee in connection with this Agreement or the transactions contemplated by this Agreement by reason of any action taken by such Seller.

3.8 Status as “Foreign Person”. Such Seller is not a “foreign person” within the meaning of Section 1445 of the Code.

ARTICLE IV REPRESENTATIONS AND WARRANTIES OF PURCHASER

In order to induce Sellers to enter into this Agreement, Purchaser represents and warrants to Sellers as follows:

4.1 Organization and Qualification. Purchaser is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Ohio with full company power and authority to own, lease, use and operate its properties and to conduct its business as and where now owned, leased, used, operated and conducted.

4.2 Authority, Power and Enforceability. Purchaser has all requisite company power and authority to enter into this Agreement and any other agreement contemplated hereby or delivered pursuant hereto, and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the Additional Documents and the consummation of the transactions contemplated hereby have been duly authorized by all necessary company action on the part of Purchaser. This Agreement and any other agreement contemplated hereby or delivered pursuant hereto to which Purchaser is a party, when executed and delivered by Purchaser, will constitute the legal, valid and binding obligations of Purchaser in accordance with their respective terms except to the extent that (a) their enforceability may be limited by applicable bankruptcy, insolvency, reorganization or other laws affecting the enforcement of creditor’s rights generally and (b) the availability of equitable remedies, including specific performance, is subject to the discretion of the court before which any such proceeding may be brought.

4.3 Required Filings and Consents. The execution, delivery, and performance of this Agreement and any other agreement contemplated hereby or delivered pursuant hereto to which Purchaser is a party will not: (a) violate any Legal Requirement to which Purchaser is subject or Purchaser’s Organizational Documents; or (b) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or result in any waiver or diminution of rights or claims held by such entity under any material agreement, lease, license, instrument, or other material arrangement to which such entity is a party or by which such entity is bound or to which the assets of such entity are subject. No consent, approval, order, or authorization of or from, or registration, notification, declaration, or filing with, any Person, including without limitation, any Governmental Authority, is required in connection with the execution, delivery, or performance of this Agreement or any other agreement contemplated hereby or delivered pursuant hereto by Purchaser or the consummation by Purchaser of the transactions contemplated by this Agreement.

4.4 No Brokers. Neither any Seller nor any Affiliate of any Seller will have any obligation to pay any broker’s, finder’s, investment banker’s, financial advisor’s, or similar fee in connection with this Agreement or the transactions contemplated by this Agreement by reason of any action taken by Purchaser.

4.5 Securities Representations. Purchaser is acquiring the Units solely for its own account for investment purposes and not with a view to, or for offer or sale in connection with, any distribution thereof. Purchaser acknowledges that the Units are not registered under the Securities Act of 1933, as amended, or any state securities laws, and that the Units may not be transferred or sold except pursuant to the registration provisions of the Securities Act of 1933, as amended or pursuant to an applicable exemption therefrom and subject to state securities laws and regulations, as applicable.

4.6 Sufficient Capital. Purchaser has or at the Closing will have sufficient cash on hand or other sources of immediately available funds to enable it to make payment of the Purchase Price and consummate the transactions contemplated by this Agreement.

4.7 Reliance on Representations. Purchaser acknowledges and agrees that in making its decision to enter into this Agreement and to consummate the transactions contemplated hereby, Purchaser has relied upon the express representations and warranties of Sellers set forth in this Agreement (including the related portions of the Disclosure Schedules). The Purchaser acknowledges that it has had the opportunity to conduct due diligence and investigation with respect to this transaction. For clarification, nothing in this Section 4.7 shall be applied to limit Buyer's rights or remedies in the case of Seller's Fraud or intentional misrepresentation.

ARTICLE V POST-CLOSING COVENANTS

5.1 Certain Tax Matters.

(a) Tax Returns. Purchaser has exclusive authority to prepare, or cause to be prepared, all Tax Returns of the Company required to be filed for any Post-Closing Tax Period. Sellers will file all Tax Returns for Pre-Closing Tax Periods, other than Straddle Periods.

(b) Straddle Period. With respect to Taxes and Tax Liabilities with respect to income, property or operations of the Company that relate to a taxable period that includes (but does not end on) the Closing Date (a "Straddle Period") the Straddle Period, the portion of such Taxes and Tax Liabilities that is allocable to the portion of the Straddle Period in the Pre-Closing Tax Period will be: (i) in the case of real property Taxes, personal property Taxes or similar ad valorem Taxes, deemed to be the amount of such Taxes and Tax Liabilities for the entire Straddle Period multiplied by a fraction (A) the numerator of which is the number of calendar days of such Straddle Period in the Pre-Closing Tax Period and (B) the denominator of which is the number of calendar days in the entire Straddle Period and (ii) in the case of all other Taxes and Tax Liabilities, determined as though the taxable year of the Company terminated at the close of business on the Closing Date. Sellers, jointly and severally, will timely pay to the Purchaser, or cause to be paid, all Taxes relating to the Pre-Closing Tax Period to the Purchaser on or before 5 days prior to the due date for such Taxes.

(c) Cooperation; Audit. After the Closing Date, Purchaser and the Sellers will, and will cause their respective Affiliates to, cooperate in the preparation of all Tax

Returns of the Company and will provide, or cause to be provided, to the requesting Party any records or other information requested by such Party in connection therewith. The Sellers, on the one hand, and Purchaser, on the other hand, will give prompt written notice to each other of any proposed adjustment to Taxes for periods ending on or before the Closing Date (or beginning on or before the Closing Date and ending after the Closing Date) (a "Tax Controversy"). Promptly upon receipt by either Party of any notification or indication (whether written or oral) from any taxing authority that it intends to investigate or audit any pre-Closing Tax Return, the Party receiving such information will notify the other Party and convey such information to the other Party in writing. Each Party will cooperate with the other in connection with any Tax investigation, Tax audit, other Tax proceeding or other Tax Controversy. A Party will be reimbursed for reasonable out-of-pocket expenses incurred in taking any action requested by the other Party or Parties under this Section 5.1(c). The Sellers Representative shall have the right (but not the duty) to control, at the Sellers' expense, any Tax Controversy that relates solely to any Pre-Closing Tax Period; provided, however, that (i) the Sellers Representative shall not enter into any settlement or otherwise compromise any such Tax Controversy without the prior written consent of Purchaser, which consent shall not be unreasonably conditioned, withheld or delayed, (ii) Purchaser shall have the right (but not the duty) to participate in the defense of such Tax Controversy and to employ counsel, at its own expense, separate from counsel employed by the Sellers Representative, and (iii) the Sellers Representative shall keep Purchaser informed with respect to the commencement, status and nature of any such Tax Controversy, and shall reasonably cooperate with Purchaser and consult with it regarding the conduct of or positions taken in any such Tax Controversy. If the Tax Controversy does not relate solely to any Pre-Closing Tax Period or the Sellers Representative does not elect to control a Tax Contest for a Pre-Closing Tax Period, Purchaser shall control such Tax Controversy; provided, however, that (i) Purchaser shall not enter into any settlement or otherwise compromise any such Tax Controversy without the prior written consent of the Sellers Representative if Sellers would be obligated to pay or indemnify with respect to a Tax under this Agreement, which consent shall not be unreasonably conditioned, withheld or delayed, (ii) the Sellers Representative shall have the right (but not the duty) to participate in the defense of such Tax Controversy and to employ counsel, at its own expense, separate from counsel employed by Purchaser, and (iii) Purchaser shall keep the Sellers Representative informed with respect to the commencement, status and nature of any such Tax Controversy, and shall reasonably cooperate with the Sellers Representative and consult with it regarding the conduct of or positions taken in any such Tax Controversy.

(d) Purchaser shall prepare and file, or cause to be prepared and filed all Tax Returns of the Company required to be filed for any Straddle Period, and, subject to the provisions of Section 5.1(b), shall pay all costs thereof and all Taxes shown thereon. Each such Tax Return shall be submitted by Purchaser to the Sellers Representative for the Sellers Representative's review and comment at least forty-five (45) days prior to the due date (with applicable extensions) for such Tax Return. The Sellers Representative shall provide any written comments to Purchaser not later than fifteen (15) days after receiving any such Tax Return and, if the Sellers Representative does not provide any written comments with fifteen (15) days, the Sellers Representative shall be deemed to have accepted such Tax Return. Purchaser and the Sellers

Representative shall attempt in good faith to resolve any dispute with respect to such Tax Return. If Purchaser and the Sellers Representative are unable to resolve any such dispute at least fifteen (15) days before the date (with applicable extensions) for any such Tax Return, the dispute shall be referred to the Independent Accounting Firm for resolution and the fees shall be shared one-half by Purchaser and one-half by the Sellers. If the Independent Accounting Firm is unable to resolve any such dispute prior to the due date (with applicable extensions) for any such Tax Return, such Tax Return shall be filed as prepared by Purchaser subject to amendment, if necessary, to reflect the resolution of the dispute by the Independent Accounting Firm.

5.2 Confidentiality. From and after the Closing Date, each Seller and each Affiliate of a Seller will hold in confidence all Confidential Information concerning the Company and the Business and all information otherwise proprietary to the Company which remains in the possession of any Seller or an Affiliate of any Seller after the Closing. Each Seller will not, and will cause his or its Affiliates, representatives, consultants and advisors not to, release or disclose any such information to any Person other than Purchaser, the Company, and their authorized representatives and will not use any such information for any purpose other than for the benefit of the Company. Notwithstanding anything contained in this Section 5.2, the confidentiality obligations will not apply to information which (a) a Seller is compelled to disclose by judicial or administrative process, or, in the opinion of counsel, by other mandatory requirements of law; (b) which can be shown to have been generally available to the public other than as a result of a breach of any confidentiality obligations; or (c) which can be shown to have been provided to a Seller by a third party who properly obtained such information other than from such Seller or the Company and without confidentiality restrictions. At the request and election of Purchaser, each Sellers agree to, and agree to cause his or its Affiliates, representatives, consultants and advisors to, destroy or return to Purchaser all tangible or intangible embodiments (including electronic copies) of any Confidential Information concerning the Company and the Business or otherwise proprietary to the Company which remains in the possession of such Seller or any such other party after the Closing, except that Sellers will be entitled to retain one copy of any such information if and to the extent such information is reasonably necessary in connection with Sellers' compliance with applicable Legal Requirements relating to Taxes (in which case, any usage by Sellers of any copy of any Confidential Information so retained will be limited to the purpose or purposes for which it was entitled to be retained).

5.3 Noncompetition, Nonsolicitation and Non-Hire.

(a) Noncompetition. For a period of five (5) years after the Closing Date, each Seller will not, and will not permit any of his or its Affiliates to, directly or indirectly, invest in, own, manage, operate, finance, control, advise, render services to or guarantee the obligations of any Person engaged in or planning to become engaged in a business that competes with the Business and is located within the contiguous United States; provided, however, that the Sellers and their respective Affiliates may collectively purchase or otherwise acquire up to (but not more than) one percent (1%) of any class of the securities of any Person (but may not otherwise participate in the activities of such Person) if such securities are listed on any national or regional securities exchange or have been registered under Section 12(g) of the Securities Exchange Act of 1934.

(b) Nonsolicitation and Nonhire. For a period of five (5) years after the Closing Date, each Seller will not, and will cause his or its Affiliates not to, directly or indirectly:

(i) solicit the business of any Person who is a customer or prospective customer of the Company or its Affiliates;

(ii) cause, induce or attempt to cause or induce any customer, supplier, licensee, licensor, franchisee, consultant or other business relation of the Company or its Affiliates to cease doing business with such parties, to deal with any competitor of the Company or its Affiliates, or in any way otherwise interfere with its relationship with such parties; or

(iii) hire, retain or attempt to hire or retain any employee or independent contractor of the Company and its Affiliates (current as of the Closing Date, or former if such Person was an employee or independent contractor in the twelve-month period prior to the Closing Date) or in any way otherwise interfere with the relationship between the Company and its Affiliates and any of their employees or independent contractors.

Notwithstanding the foregoing, none of the following activities shall constitute a violation of this Section 5.3: (i) general solicitations for employment by means of advertisements, public notices, or internal or external websites or job search engines; (ii) general solicitations for employment by means of professional search firms not directed to target such employees or (iii) solicitation of any employee whose employment has been terminated by the Company after the date hereof.

(c) Modification of Covenant. Each Seller acknowledges that the restrictions contained in this Section 5.3 are reasonable and necessary to protect the legitimate interests of Purchaser and constitute a material inducement to Purchaser to enter into this Agreement and consummate the transactions contemplated by this Agreement. If a final judgment of a court or tribunal of competent jurisdiction determines that any term or provision contained in this Section 5.3 is invalid or unenforceable, then the Parties agree that the court or tribunal will have the power to reduce the scope, duration or geographic area of the term or provision, to delete specific words or phrases or to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision. This Section 5.3 will be enforceable as so modified after the expiration of the time within which the judgment may be appealed.

(d) Enforcement of Covenant. Each Seller agrees that the remedy of damages at law for the breach of any of the covenants contained in this Section 5.3 is an inadequate remedy and that such Seller will not challenge the enforceability or reasonableness of the covenants set forth in this Section 5.3. In recognition of the irreparable harm that a violation by a Seller of any of the covenants, agreements or obligations arising under this Section 5.3 would cause Purchaser, each Seller agrees that in addition to any other remedies or relief afforded by any Legal Requirements, Purchaser may seek an injunction against an actual or threatened violation or violations without

posting a bond or other security. In the event Purchaser prevails in an action to enforce the covenants in this Section 5.3, Purchaser will be entitled to be reimbursed by the Sellers, jointly and severally, for actual attorney's fees incurred by Purchaser with respect to such action. Each Seller acknowledges and expressly consents to the governing law and exclusive jurisdiction provisions set forth in Section 9.12 with respect to this Section 5.3. In the event a Seller violates any provision of this Section 5.3, then, in such event, the period of the violation will be added to the restricted period set forth above with regard to such Seller.

(e) Exclusions. Subject to compliance with Section 5.2 and Section 5.3(b) and any applicable restrictions imposed by any other agreement entered into in connection with the transactions contemplated hereby, the covenants contained in Section 5.3(a) will not be construed or applied to restrict or to prohibit Anand's continued service as an officer, director, manager, consultant, or employee of the Company or its Affiliates following the Closing. Further, subject to compliance with Section 5.2 and Section 5.3(b) and any applicable restrictions imposed by any other agreement entered into in connection with the transactions contemplated hereby, the restrictions against competition in Section 5.3(a) will not be construed or applied to restrict or to prohibit any Seller from owning an equity membership interest (either directly or through an Affiliate) in Royce Associates, a New Jersey limited partnership ("Royce Associates"), or from continuing to conduct or remain involved in the business operations of Royce Associates (including as an officer, director, manager, consultant, or employee) in the same role, and in substantially same manner as such business operations are conducted as of the date of execution of this Agreement (which business operations consist of and are and will be limited to the production, sale, and distribution of dyes for paper, plastics and textiles, reductive chemicals, and certain other specialty chemicals); provided, that in connection with such business operations, Sellers will continue to be bound by the terms and restrictions of Section 5.3(b) (Non-Solicitation and Non-Hire) and Section 5.3(c) (Confidentiality); and provided further, that in no event will the business of Royce Associates include any epoxy curatives, hardeners, diluents, additives, or resins.

5.4 Release. Subject to and effective as of the Closing, in consideration of the mutual covenants and agreements contained herein, including the consideration to be received by the Sellers, each of the Sellers, on behalf of himself or itself and his or its Affiliates, agents, attorneys, representatives, successors, assigns and heirs (collectively, the "Seller Releasing Parties"), hereby irrevocably releases and forever discharges the Company and Purchaser and each of their respective Affiliates, and their respective past and present equityholders, directors, managers, officers, members, managers, agents, employees, and the successors, heirs, assigns, executors and administrators of each of the foregoing (collectively, the "Released Persons"), of and from any and all manner or causes of action and actions, claims, suits, rights, debts, sums of money, covenants, contracts, damages and judgments whatsoever, in law or in equity, which any Seller Releasing Party ever had, now has or which any Seller Releasing Party hereafter will or may have, against the Released Persons, whether known or unknown, suspected or unsuspected, matured or unmatured, fixed or contingent, for, upon or by reason of any matter, and arising at any time on or prior to the Closing Date, whether in a Seller Releasing Party's capacity as an equityholder, director, manager, officer, employee, holder of Indebtedness or otherwise, and the Released Persons will have no liability with respect thereto; provided, however, that such release

will not cover (i) causes of action and actions, claims, suits, rights, debts, sums of money, covenants, contracts, damages, judgments or liabilities for amounts owed pursuant to, or to enforce other rights set forth in this Agreement or any additional agreement contemplated hereby or delivered pursuant hereto (provided, for clarity, that the foregoing release specifically includes any and all claims against a Released Person arising out of or relating to that certain Proceeds Sharing Agreement, dated as of March 21, 2018, between Sellers and the Company), (ii) rights of a Seller Releasing Party as an employee of the Company for accrued but unpaid compensation, but only to the extent such amount is consistent with the base salary of the party set forth in Section 2.20 of the Disclosure Schedule, (iii) accrued rights of a Seller Releasing Party as an employee of the Company under a Company Benefit Plan in accordance with the express terms thereof, or (iv) any coverage for claims against any Seller Releasing Party under any third party insurance policy held by the Company. Each of the Sellers, on behalf of themselves and each other Seller Releasing Party, acknowledges and agrees that the release set forth in this Section 5.4 applies to all claims or liabilities of any nature whatsoever, whether at law or in equity, whether known or unknown, fixed or contingent, suspected or unsuspected, foreseen or unforeseen, that he or it may have against the Released Persons.

5.5 Transfer Taxes and Related Costs. Sellers, jointly and severally, on one hand, and Purchaser, on the other hand, will each be responsible for an equal 50% share of all stamp, transfer, documentary, sales, use, value added, registration, property, excise and other such taxes and fees relating thereto (including any penalties, interest and additions to such taxes) incurred in connection with consummation of the transactions contemplated by this Agreement. Purchasers and Sellers' Representative shall cooperate in executing and filing any Tax Returns, affidavits and other documents relating to such taxes and fees.

5.6 Access to Information. After the Closing Date, the Sellers, on the one hand, and Purchaser, on the other hand, will provide to each other and to their respective officers, employees, counsel and other representatives, upon request (subject to any limitations that are reasonably required to comply with applicable law or to preserve any applicable attorney-client privilege or third-party confidentiality obligation), access for inspection and copying, of all files, books, records, licenses, Contracts, and any other information existing as of the Closing Date and relating to the Business or the Company, and will make their respective personnel reasonably available to provide information relating to the Business or the Company, as may be necessary to enable the party requesting such assistance: (i) to comply with reporting, filing or other requirements (other than Tax requirements) imposed by any Governmental Authority; or (ii) to assert or defend any claims or allegations in any litigation or arbitration or in any administrative or legal proceeding other than claims or allegations that one party to this Agreement has asserted against the other (in which case, any usage of any information so obtained will be limited to the purpose or purposes for which it was provided, and will continue to be subject to Section 5.2, if applicable). The access to files, books and records contemplated by this Section will be during normal business hours and upon prior written request and will be subject to such reasonable limitations as the party having custody or control thereof may impose to preserve the confidentiality of information contained therein.

5.7 Seller Corporate Actions. If an entity, each Seller agrees that prior to the eighteen (18) month anniversary of the Closing (or, if longer, until all pending but unresolved Indemnifiable Claims asserted against the Sellers have been fully and finally resolved) such

Seller will not dissolve or take any action with the purpose or intent of dissolving its corporate, limited liability company, or other existence.

5.8 GSP Refunds. Sellers will, as part of the Purchase Price, be paid 100% of the GSP Refunds (as such term is defined above) as and when such GSP Refunds are received by the Company, provided that such GSP Refunds will be paid on a net basis, after deducting any amounts owed to the corresponding vendor with respect to such GSP Refunds. Such net proceeds from such GSP Refunds will be promptly (and in all cases within five (5) Business Days) forwarded or paid to Sellers Representative by the Company upon receipt.

5.9 Transition Services. For a period beginning on the Closing Date and ending on the three month anniversary of the Closing Date, or until any such earlier date when the Purchaser may otherwise specify in writing, the Sellers will, and will cause Royce Associates to, continue to perform services for the Company at the facility located at 41 Peachview Boulevard, Gaffney, South Carolina 29341 (the "South Carolina Facility") in the same manner as the Sellers and Royce Associates performed such services to the Company prior to the Closing. In consideration for the provision of such services, the Purchaser will cause the Company to pay to Royce Associates an amount equal to \$9,500 per month, prorated for any services provided in partial months, which monthly payment will be payable in advance for each month and is (consistent with the relationship between the Company and Royce Associates prior to Closing) intended to compensate Royce Associates for the Company's allocable share of rent, taxes, CAM, employee wages and expenses, and other similar fixed charges associated with the South Carolina Facility. If the Company utilizes the services of Royce Associates' regulatory employee or any other variable expense item in connection with the transition services or the Company's occupation or use of the facility (*i.e.*, expense items not accounted for as part of the monthly services fee described above), Purchaser will, in addition to the monthly services fee, cause the Company to pay or reimburse Royce Associates for the Company's allocable share of such variable expense items, with any such allocation to be determined without mark-up and in the manner consistent with consistent with the relationship between the Company and Royce Associates prior to Closing. The Sellers will, and will cause Royce Associates to, perform such services in the same manner as such services were provided prior to the Closing and will indemnify the Company for any Damages resulting to, imposed upon or incurred or suffered by the Company and arising out of or relating to any gross negligence by Sellers, Royce Associates, or its employees in connection with the provision of such services.

ARTICLE VI CLOSING; CLOSING DELIVERABLES

6.1 Closing. The closing of the transactions contemplated hereby (the "Closing") will take place by electronic delivery or overnight mail delivery (as needed) of closing documents among the parties, on the date of this Agreement. The date on which the Closing occurs is referred to as the "Closing Date." The effective time of the Closing is 12:01 a.m. eastern time on the Closing Date.

6.2 Sellers' Closing Deliverables. As a condition to the Closing, Seller will deliver to Purchaser or Purchaser will otherwise have obtained, as applicable, prior to or on the Closing Date, each of the following deliverables:

(a) Consents and Other Items. The Sellers and the Company will have obtained and delivered to Purchaser (i) any and all written consents and authority necessary to permit the sale of the Units to Purchaser, and to consummate the other transactions contemplated hereby, (ii) evidence reasonably satisfactory to Purchaser that all necessary notices have been given to third parties, and (iii) estoppel certificates, non-disturbance agreements, and consents from third parties to Contracts of the Company necessary to continue such Contracts from and after the Closing, in each case in form and substance reasonably satisfactory to Purchaser.

(b) Release of Liens. The Sellers and the Company will have obtained and delivered to Purchaser a payoff letter and lien release, in a form satisfactory to Purchaser, from each holder of any Indebtedness Amount or which is required to release any Lien that encumbers any Units or any asset of the Company, and, if requested by Purchaser, payoff letter or similar documentation signed by the applicable third party evidencing that all Outstanding Transaction Expenses owed by the Company to such third party have been or will (subject to receipt of payment at the Closing) be fully satisfied.

(c) Regulatory Approvals. Purchaser or the Company, as applicable, will have received all licenses, permits, approvals, or other authorization from any and Governmental Authorities necessary in connection with the transactions contemplated hereby and the conduct of the Business by the Company and Purchaser from and after the Closing.

(d) Closing Documents. At the Closing, Sellers or the Company, as applicable, will have delivered, or will have caused to be delivered, to Purchaser all of the following documents:

(i) the certificates (or affidavits of lost certificates in lieu thereof) representing the Units, if applicable, and an assignment (separate from such certificates) of the Units to Purchaser, in form and substance acceptable to Purchaser;

(ii) a certificate from the Secretary of the Company certifying as to correct and complete copies of (A) the Company's Organizational Documents, (B) incumbency and signatures of officers of the Company, (C) resolutions of the board of managers of the Company, authorizing the execution and delivery of this Agreement and any other agreement or document contemplated hereby or delivered pursuant hereto to which the Company is a party and the taking of any and all actions reasonably necessary to consummate the transactions contemplated herein and therein;

(iii) a certificate of the applicable Governmental Authority, dated as of a date no earlier than ten (10) days prior to the Closing Date, as to the good standing of the Company in the jurisdictions identified in Section 2.1(a) – (c) of the Disclosure Schedule;

(iv) the Escrow Agreement, duly executed by Sellers;

(v) resignations of the officers, managers and directors of the Company in form acceptable to and as required by Purchaser;

(vi) a properly executed affidavit prepared in accordance with Treasury Regulations Section 1.1445-2(b) certifying each Seller's non-foreign status;

(vii) a consulting agreement, in the form attached hereto as Schedule 6.2(d)(vii), between Anand and the Company (the "Consulting Agreement"), duly executed by Anand; and

(viii) all other documents, certificates, instruments or writings reasonably requested by Purchaser in connection herewith.

6.3 Purchaser's Closing Deliverables. As a condition to the Closing, Purchaser will deliver to Sellers or Sellers will otherwise have obtained, as applicable, prior to or on the Closing Date, each of the following deliverables:

(a) the Purchase Price, payable in the manner set forth in Article I above;

(b) a certificate of the applicable Governmental Authority, dated as of a date no earlier than ten (10) days prior to the Closing Date, as to the good standing of Purchaser in Ohio;

(c) certified copies of the resolutions duly adopted by Purchaser's board of managers authorizing the execution, delivery and performance of this Agreement, any agreement contemplated hereby or delivered pursuant hereto, and the consummation of the transactions contemplated hereby;

(d) the Escrow Agreement, duly executed by Purchaser; and

(e) the Consulting Agreement, duly executed by the Company.

ARTICLE VII INDEMNIFICATION

7.1 Survival of Representations, Warranties and Agreements. Subject to Section 7.6(c), if applicable, all representations, warranties, covenants and agreements of the Parties in this Agreement and in any other agreements, documents or certificates executed or delivered by the Parties pursuant to this Agreement, or in connection with the transactions contemplated by this Agreement (the "Additional Documents") will survive the execution, delivery and performance of this Agreement and the Closing of the transactions contemplated hereby.

7.2 Indemnification of Purchaser. The Sellers will jointly and severally indemnify, defend, and hold harmless Purchaser and its Affiliates (including, after the Closing, the Company) and their respective directors, managers, officers, shareholders, members, managers, agents and employees (specifically excluding the Sellers and their respective Affiliates, other than the Company) (each, a "Party Indemnified by Seller") from and against any and all Liabilities, losses, damages, demands, claims, suits, actions, judgments or causes of action,

assessments, costs and expenses including, without limitation, interest, penalties, and reasonable attorneys' fees, and any and all amounts paid in connection with the investigation, defense or settlement of any claim or litigation (collectively, "Damages"), resulting to, imposed upon or incurred or suffered by any Party Indemnified by Seller as a result of any of the following:

- (a) any inaccuracy in or breach of any representation or warranty made by a Seller pursuant to this Agreement;
- (b) any breach or non-performance of any covenant, agreement or obligation to be performed by a Seller pursuant to this Agreement;
- (c) any (i) Taxes of a Seller or the Company with respect to any Pre-Closing Tax Period, (ii) Seller's allocable share of Taxes described in Section 5.5 (Transfer Taxes), (iii) all Taxes imposed upon Sellers or the Company as a result of any transaction contemplated by this Agreement, and (iv) all Taxes of any Person for which the Company is liable (A) under Treasury Regulations Section 1.1502-6 (or similar provisions of state, local or foreign applicable Tax Laws), (B) as a transferee or successor, (C) by contract or (D) otherwise;
- (d) the Unpaid Seller Expenses (to the extent not satisfied in full at Closing);
- (e) any Unpaid Indebtedness (to the extent not satisfied in full at Closing);
- (f) any Fraud by any Seller or the Company;
- (g) any inaccuracy in or breach of the representations and warranties set forth in Section 2.6(e) of this Agreement; and
- (h) the matters, if any, identified on Schedule 7.2(h) hereto.

7.3 Indemnification of Sellers. Purchaser will indemnify, defend and hold harmless the Sellers, their Affiliates, and their respective successors and assigns (each, a "Party Indemnified by Purchaser") from and against any and all Damages, resulting to, imposed upon or incurred or suffered by any Party Indemnified by Purchaser as a result of any of the following:

- (a) any inaccuracy in or breach of any of the representations or warranties made by Purchaser in this Agreement;
- (b) any breach or non-performance of any covenant, agreement or obligation to be performed by Purchaser pursuant to this Agreement; and
- (c) any (i) any Taxes of the Purchaser; (ii) any Taxes of Purchaser or the Company with respect to any Post-Closing Tax Period, (iii) Purchaser's allocable share of Taxes described in Section 5.5 (Transfer Taxes), (iii) all Taxes imposed on Purchaser or the Parent as a result of any transaction contemplated by this Agreement; or (iv) all Taxes of any Person with respect to any Post-Closing Tax Period for which the Company is liable, to the extent that the conditions which provide the basis for such liability did not exist on or before Closing.

7.4 Procedure for Indemnification with Respect to Third Party Claims.

(a) If any Party Indemnified by Seller or any Party Indemnified by Purchaser (any such Person, an “Indemnified Party”) determines to seek indemnification under this Article VII with respect to a claim indemnifiable pursuant to Section 7.2 or Section 7.3 (each such claim, an “Indemnifiable Claim”) resulting from the assertion of Liability by a third party (including Governmental Authorities), it will give written notice to Sellers’ Representative or to Purchaser, as the case may be, within thirty (30) days of the Indemnified Party’s becoming aware of any such Indemnifiable Claim (a “Claim Notice”), which notice will set forth such material information with respect to such Indemnifiable Claim as is then reasonably available to the Indemnified Party. In the event of a Claim Notice delivered by a Party Indemnified by Seller, Sellers will be collectively referred to herein as the “Indemnifying Party”, and in the event of a Claim Notice delivered by a Party Indemnified by Purchaser, Purchaser will be referred to herein as the Indemnifying Party. The Indemnifying Party will be entitled, if it so elects by written notice delivered to the Indemnified Party within twenty (20) days after receiving the Claim Notice, to assume the defense of the Indemnifiable Claim identified therein with counsel reasonably satisfactory to the Indemnified Party. Notwithstanding anything herein to the contrary, the Indemnifying Party will not have the right to assume or continue the defense or handling of such Indemnifiable Claim, and the Indemnified Party will be entitled to control the defense of such Indemnifiable Claim and treat all costs and expenses of such defense as indemnifiable Damages (all as more fully set forth in Section 7.4(b) below), unless each of the following conditions is and continues to be satisfied: (A) the Indemnifiable Claim involves only monetary damages, (B) no conflict exists between the Indemnified Party and Indemnifying Party with respect to the defense of such Indemnifiable Claim, (C) the Indemnifiable Claim does not relate to Taxes, or involve a criminal or regulatory action, (D) the settlement of the Indemnifiable Claim will not, in the good faith opinion of the Indemnified Party, be likely to be materially adverse to the Indemnified Party’s continuing business as a whole, and (E) the Indemnifying Party conducts the defense actively and diligently. Additionally, and notwithstanding the foregoing: (i) even if the Indemnifying Party is entitled to and does assume the defense of such Indemnifiable Claim, the Indemnified Party will have the right to employ its own counsel in any such case, but the fees and expenses of such counsel will be payable by the Indemnified Party; and (ii) the rights of the Indemnified Party to be indemnified in respect of Indemnifiable Claims resulting from the assertion of Liability by third parties will not be adversely affected by its failure to give a Claim Notice pursuant to the foregoing provisions unless, and, if so, only to the extent that, the Indemnifying Party is materially prejudiced by such failure. With respect to any assertion of Liability by a third party that results in an Indemnifiable Claim, the Parties will make available to each other all relevant information in their possession which is material to any such assertion and otherwise cooperate in the defense of the Indemnifiable Claim.

(b) If the Indemnifying Party does not dispute its obligation with respect to an Indemnifiable Claim described in a particular Claim Notice within twenty (20) days of the receipt of the Claim Notice, the Indemnifying Party will be deemed to have accepted liability for all Damages arising out of or relating to such Indemnifiable Claim. In the

event the Indemnifying Party notifies the Indemnified Party in writing within twenty (20) days after receiving the Claim Notice that it disputes liability for all or any portion of the Indemnifiable Claim, or fails to timely provide the unconditional acceptance of liability required as a condition to its control of the defense and settlement of the Indemnifiable Claim, the Parties will endeavor in good faith to mutually agree to resolve such dispute. If the Parties are unable to resolve the Indemnifiable Claim within twenty (20) days after the Indemnifying Party delivers such notice (or within five (5) Business Days prior to the deadline for any responsive filing, if earlier), the Indemnified Party will be entitled to pursue all available legal rights and remedies relating thereto, and, without limiting the generality of the foregoing, may elect to defend, compromise or settle such Indemnifiable Claim, but in the event it is ultimately determined that the Indemnifying Party is responsible for such Indemnifiable Claim, the costs of the Indemnified Party investigating, in defending, compromising, or settling such Indemnifiable Claim will be considered Damages for purposes of determining the amount of the Indemnifying Party's obligation to the Indemnified Party.

7.5 Procedure for Indemnification with Respect to Non-Third Party Claims.

(a) In the event that the Indemnified Party asserts the existence of an Indemnifiable Claim giving rise to Damages (other than Indemnifiable Claims resulting from the assertion of Liability by third parties), it will give notice to Sellers' Representative or to Purchaser, as the case may be, specifying the nature and amount of the Indemnifiable Claim asserted. If the Indemnifying Party, within twenty (20) days after receiving such notice, has not given written notice to the Indemnified Party announcing its intent to contest such assertion by the Indemnified Party, such assertion will be deemed accepted, the amount of the Indemnifiable Claim will be deemed a valid Indemnifiable Claim, and the Indemnifying Party will be deemed to have accepted liability for all Damages arising out of or relating to such Indemnifiable Claim.

(b) If the Indemnifying Party contests the assertion of an Indemnifiable Claim, then the Parties will endeavor in good faith to resolve the Indemnifiable Claim. If the Parties are unable to resolve the Indemnifiable Claim within twenty (20) days after the Indemnifying Party delivers such notice, then either Party will be entitled to pursue all available legal rights and remedies relating thereto.

7.6 Limitations on Indemnification. The liability of the Sellers to indemnify and hold harmless the Parties Indemnified by Seller for Damages pursuant to Section 7.2 will be subject to the following limitations:

(a) With respect to any claims under Section 7.2(a) set forth above (other than claims alleging facts or circumstances that would constitute a breach of Fundamental Reps or SOL Reps), the Parties Indemnified by Seller will not be entitled to recover any Damages unless and until the aggregate of all Damages exceeds One Hundred Sixty-Five Thousand Dollars (\$165,000) (the "Deductible"), after which the Parties Indemnified by Seller will be entitled to recover only Damages in excess of the Deductible, subject to the Cap.

(b) With respect to any claims under Section 7.2(a) set forth above (other than claims alleging facts or circumstances that would constitute a breach of Fundamental Reps or SOL Reps), the Parties Indemnified by Seller will not be entitled to recover Damages to the extent the aggregate Damages from all such claims in excess of the Deductible exceed Three Million Three Hundred Thousand Dollars (\$3,300,000) (the “Cap”). For purposes of clarity, the Parties agree that the foregoing limitations do not apply to Damages for claims asserted under other subsections of Section 7.2, and the Parties Indemnified by Sellers’ right to recover such Damages is not limited.

(c) With respect to any claims under Section 7.2(a) set forth above, Purchaser must notify Sellers Representative in writing of any such claims specifying the factual basis of each claim in reasonable detail to the extent then known by Purchaser on or before the eighteen (18) month anniversary of the Closing Date, at which time Purchaser’s right to indemnification for such matters (absent such notice) will terminate; provided, however, (i) with respect to such claims relating to Section 2.1 (Organization and Qualification), Section 2.2 (Authority, Power and Enforceability), Section 2.4 (Capitalization), Section 2.5 (Subsidiaries), Section 2.7 (Indebtedness), Section 2.1 (Affiliate Transactions), Section 2.22 (Brokerage), or any claim relating to Article III, inclusive (collectively, the “Fundamental Reps”), Purchaser may notify Sellers Representative in writing at any time as the survival period for such representations and warranties is the seven (7) year anniversary of the Closing Date, and (ii) with respect to such claims relating to Section 2.11 (Taxes), Section 2.12 (Environmental Matters), and Section 2.16 (Employee Benefits) (collectively, the “SOL Reps”), Purchaser must notify Sellers Representative in writing at any time prior to the date which is thirty (30) days following the applicable statute of limitations (after giving effect to any extensions or waivers thereof), at which time Purchaser’s right to indemnification for such matters (absent such notice) will terminate. In addition, if notice of a violation or breach of any specified representation or warranty is given by Purchaser to Sellers Representative during the period provided for in this Section then such representation or warranty (and the underlying claim) will continue to survive until such matter has been resolved by settlement, litigation (including all appeals related thereto) or otherwise.

(d) Payments by an Indemnifying Party pursuant to this Article VII in respect of any Damages shall be reduced by an amount equal to any insurance proceeds (net of costs of recovery, applicable deductibles, and premium adjustments) actually received with respect to the matter in question prior to or during the calendar year in which such indemnification claim was paid by the Indemnifying Party.

(e) In no event shall any Indemnifying Party be liable to any Indemnified Party for any punitive damages relating to the breach or alleged breach of this Agreement, except to the extent finally resolved under Section 7.4 and awarded pursuant to a third-party Indemnifiable Claim in favor of any Person who is not a party to this Agreement or an Affiliate of a Party to this Agreement.

(f) To the extent consistent with, and only to the extent required by, such Indemnified Party’s duties to mitigate Damages under applicable contract law, each Indemnified Party shall take, and shall cause its Affiliates to take, commercially

reasonable steps to mitigate any Damages upon becoming aware of any event or circumstance that gives rise thereto.

(g) Sellers shall have no obligation to indemnify Purchaser or any other Parties Indemnified by Seller for Damages if and to the extent (on a dollar-for-dollar basis): (i) there is a specific reserve in Working Capital as finally determined that applies to the Damages in question; or (ii) the matter that gave rise to such Damages was included as a specific component of Current Assets or Current Liabilities included in Working Capital as finally determined in accordance with this Agreement, whether by specific resolution by the Parties or by the determination of the Independent Accounting Firm.

7.7 Effect of Materiality. In connection with any claim for Damages under this Article VII, for the purposes of determining the existence of any breach of a representation, warranty, covenant or agreement by a Seller, and for the purposes of determining Damages, each representation, warranty, covenant and agreement made by a Seller will be deemed made without any qualifications or limitations as to materiality and, without limiting the foregoing, the word “material” and words of similar import will be deemed deleted from any such representation, warranty, covenant or agreement.

7.8 Reserved.

7.9 Offset; Escrow. Subject to the other limitations herein, but in addition to any and all other remedies otherwise available to it under this Agreement, Purchaser will have the right to set off the indemnification obligations of the Sellers pursuant to this Article VII against the Escrow Amount and against any other amount otherwise payable to Sellers on a dollar-for-dollar basis. Notwithstanding anything contained herein to the contrary, for so long as and to the extent funds remain from the Escrow Amount in excess of Damages alleged in any pending Indemnifiable Claims under Section 7.4 or Section 7.5, any and all amounts payable by Sellers to a Party Indemnified by Seller pursuant to this Article VII will be paid in cash first out of such Escrow Account until such amount has been reduced to zero. For clarity, at such time as Damages alleged in pending Indemnifiable Claims under Section 7.4 or Section 7.5 exceed the amount then remaining in the Escrow Account, a Party Indemnified by Sellers will be entitled to seek recovery of such excess from Sellers even if such Indemnifiable Claims or the amount of Damages suffered thereunder have not been finally determined at such time.

7.10 Exclusive Remedies. Subject to Section 1.4, Section 5.3, and Section 9.7, the Parties acknowledge and agree that their sole and exclusive monetary remedy with respect to any and all claims (other than claims arising from Fraud, criminal activity or willful misconduct on the part of a Party hereto in connection with the transactions contemplated by this Agreement) for any breach of any representation, warranty, covenant, agreement or obligation set forth herein or otherwise relating to the subject matter of this Agreement (including to the extent arising in tort), shall be pursuant to the indemnification provisions (and subject to the terms and limitations) set forth in this Article VII. Nothing in this Section 7.10 shall limit any Person's right to seek and obtain any equitable relief to which any Person shall be entitled or to seek any remedy on account of any party's Fraudulent, criminal or intentional misconduct.

ARTICLE VIII
DEFINITIONS

8.1 Defined Terms. The following terms, as used herein, have the following meanings:

“Affiliate” of a Person means any other Person that directly or indirectly through one or more intermediaries controls, is controlled by, or is under common control with such Person.

“Basis” means any past or present fact, situation, circumstance, status, condition, activity, practice, plan, occurrence, event, incident, action, failure to act, or transaction that could reasonably form the basis for any specific consequence.

“Benefit Plan” means any “employee benefit plan” (as such term is defined in Section 3(3) of ERISA) and any other material employee benefit plan, program or arrangement that the Company maintains, sponsors, or contributes to or for the benefit of any employee or former employee (or their beneficiaries) of the Company, whether written or oral, and whether or not subject to ERISA, including, but not limited to, deferred compensation, medical, vision, prescription drug, dental or disability insurance plans, fringe benefits, leave policies, workers’ compensation, bonus, commission, and incentive plans, severance or separation benefits, retirement plans, equity-based compensation plans, and change of control benefits.

“Business Day” means any day, other than a Saturday or Sunday and other than a day that banks in the State of Massachusetts are generally authorized or required by applicable Legal Requirements to be closed.

“Cash” means cash and cash equivalents, determined in accordance with GAAP (and, for the avoidance of doubt, calculated net of issued but uncleared checks and drafts for which the Company is obligated).

“Code” means the Internal Revenue Code of 1986, as amended.

“Confidential Information” of a disclosing Party means information that the recipient knows or reasonably should know the disclosing Party treats as confidential or proprietary.

“Contract” means any agreement, contract, personal property lease, real property lease, capital lease, note, loan, evidence of indebtedness, guaranty, purchase order, customer order, letter of credit, franchise agreement, undertaking, covenant-not-to-compete, employment, consulting or independent contractor agreement, license, instrument, obligation or commitment (i) to which the Company is a party, or (ii) by which it is, or any of its assets are, bound, whether oral or written, and including without limitation any terms and conditions, terms of sale, or other similar provisions that are legally binding and are applicable to the purchase or sale of products or raw materials by, or the performance of services by or provision of services to, the Company, even if the Company has not signed or otherwise affirmatively agreed to such terms.

“Dollars” and any reference to “\$” will mean U.S. dollars.

“Environmental Law” means all Legal Requirements: (a) relating to pollution (or the cleanup thereof) or the protection of natural resources, endangered or threatened species, or the environment (including ambient air, soil, surface water or groundwater, or subsurface strata); or (b) concerning the presence of, exposure to, or the management, manufacture, use, containment, storage, recycling, reclamation, reuse, treatment, generation, discharge, transportation, processing, production, disposal, or remediation of any Hazardous Materials. The term “Environmental Law” includes the following (including their implementing regulations, any state analogs or any similar laws in foreign jurisdictions): the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §§ 9601 et seq.; the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976, as amended by the Hazardous and Solid Waste Amendments of 1984, 42 U.S.C. §§ 6901 et seq.; the Federal Water Pollution Control Act of 1972, as amended by the Clean Water Act of 1976, as amended, 15 U.S.C. §§ 2601 et seq.; the Emergency Planning and Community Right to Know Act of 1986, 42 U.S.C. §§ 11001 et seq.; and the Clean Air Act of 1966, as amended by the Clean Air Act Amendments of 1990, 42 U.S.C. §§ 7401 et seq.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“Fraud” or “Fraudulent” means the commitment of an intentional action against a party alleging fraud with the deliberate intent to deceive such party.

“GAAP” means United States generally accepted accounting principles consistently applied, as in effect when applied.

“Governmental Authority” means (a) any court, arbitrator, department, commission, board, bureau, agency, authority, instrumentality, regulatory or administrative agency or other body of any government, whether federal, state, county, regional, local or of a foreign jurisdiction; or (b) or any quasi-governmental or private body exercising, or entitled to exercise, any regulatory, administrative, executive, judicial, legislative, expropriation or taxing authority, under or for the account of any of the foregoing.

“Hazardous Materials” means all hazardous substances, as that term is defined under the Federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, any waste or other substance that is listed, defined, designated, or classified as, or otherwise determined to be, hazardous, radioactive, or toxic, or a pollutant or contaminant under or pursuant to any Environmental Law, including petroleum and derivatives thereof, asbestos and asbestos-containing materials, PCBs, urea formaldehyde, pesticides, herbicides, and fertilizers natural gas liquids, lead and lead-based paints and materials, flammable, explosive, or radioactive materials, microbial matter, biological toxins, mycotoxins, mold or mold spores, radon, and any other agriculture chemicals.

“Indebtedness” of any Person means, without duplication, (a) the principal of and, accreted value and accrued and unpaid interest in respect of (i) indebtedness of such Person for money borrowed, and (ii) indebtedness evidenced by notes, debentures, bonds or other similar instruments for the payment of which such Person is responsible or liable; (b) all obligations of such Person issued or assumed as the deferred purchase price of property, all conditional sale

obligations of such Person and all obligations of such Person under any title retention agreement (but excluding operating leases and trade accounts payable and other accrued current liabilities); (c) under capital leases (in accordance with GAAP); (d) in respect of letters of credit and bankers' acceptances; (e) for Contracts relating to interest rate protection, swap agreements and collar agreements; (f) all indebtedness of such Person secured by a purchase money mortgage or other Lien to secure all or part of the purchase price of the property subject to the mortgage or Lien; (g) any Outstanding Transaction Expenses of the Company that are unpaid as of the Closing Date; and (h) in the nature of guarantees of the obligations described in clauses (a) through (f) above of any other Person.

“Indebtedness Amount” means the amounts sufficient to satisfy and extinguish the outstanding Indebtedness (including all principal, accrued interest, penalties, and premiums thereon through the Closing Date) of the Company that Purchaser elects to pay off as of the Closing.

“Insider” means (i) Seller, (ii) any officer, director, or equity owner of Seller, or the Company, (iii) any spouse, sibling, child or parent of any individual listed in clause (i) or (ii) hereof, or (iv) any Person in which any individual listed in clauses (i) or (ii) hereof has a beneficial Interest.

“Intellectual Property” means all patents, patent applications, and other rights associated with or relating to the protection of inventions or ideas under applicable patent laws; all copyrighted or copyrightable materials and all applications therefor or registrations thereof; all trademarks, servicemarks, trade names, logos, and other brand identifiers; all proprietary rights, processes, formulae, technology, and other items that are subject to protection under trade secret or similar Legal Requirements that would generally be protected by a company conducting the Business; all uniform resource locators, phone numbers, directory listings, and similar rights; all registrations of, or applications for, any of the foregoing under any applicable state, United States, or foreign Legal Requirement; and all goodwill in, rights to enforce, and recoveries or relief associated with any of the foregoing.

“Inventory” means inventory of the Company.

“Knowledge” means, (a) with respect to a Seller, the actual knowledge of such Seller, and the actual knowledge that such Seller would have had if he had conducted a reasonable investigation into the matter in question, and (b) with respect to the Company, (i) the Knowledge of any Seller (determined in accordance with the preceding clause (a)), and (ii)(A) the actual knowledge of Anand, and (B) the actual knowledge that any such persons would have had if they had conducted a reasonable investigation into the matter in question.

“Legal Requirement” means any federal, state, provincial, or local, or other foreign law, statute, legislation, constitution, principle of common law, judicial decision, resolution, ordinance, code, judgment, order, decree, treaty, rule, regulation, ruling, determination, charge, direction, or other restriction of an arbitrator or Governmental Authority.

“Liabilities” means any liability, debt, loss, damage, adverse claim or obligation of whatever kind or nature (whether known or unknown, whether asserted or unasserted, whether

absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, and whether due or to become due), including any liability for Taxes.

“Lien” or “Liens” means any liens, security interests, pledges, mortgages, deeds of trust, conditional sales Contracts, charges (fixed or floating) or, in the case of real property, easements, charges or other encumbrances, in each case whether imposed by Legal Requirements, Contract or otherwise.

“Material Adverse Effect” means any event, change, circumstance, effect, or state of facts that, when considered individually or in the aggregate, is, or could reasonably be expected to be, materially adverse to (a) the Business or the financial condition or results of operations of the Company, or (b) the ability of any Seller or the Company to consummate the transactions contemplated in this Agreement.

“Ordinary Course of Business” means the ordinary course of business consistent with past custom and practice (including with respect to quantity and frequency).

“Organizational Documents” means the articles or certificate of incorporation, organization, or formation, bylaws, limited liability company agreement, partnership agreement or other governing documents of an entity.

“Outstanding Transaction Expenses” means any unpaid fees and expenses payable by or on behalf of a Seller or the Company relating to the negotiation, execution, and delivery of any letter of intent or term sheet, this Agreement, and any other agreement or document contemplated hereby or delivered pursuant hereto, as well as the consummation of the transactions contemplated hereby and thereby, that are incurred by or on behalf of, or charged to Sellers or the Company, including (A) all legal, tax, accounting, financial, any brokerage fees, commissions, finders’ fees, investment banking fees or financial advisory fees, and other advisory and consulting fees, (B) the payment of assignment, consent or similar fees pursuant to the express terms of Contracts to which the Company or any Seller is a party in connection with, or to avoid termination or other adverse consequences under such Contract as a result of, the transactions contemplated by this Agreement (including without limitation the Palmer Agreement), (C) any obligations or agreements of the Company for payments relating to a change of control of the Company, “stay” bonus, transaction retention, or similar obligations or payments that may be owed or are otherwise payable to any Person based on any Seller’s or the Company’s agreement with such Person, in each case, including the employer’s portion of any payroll, social security, unemployment or similar Taxes related to such payments, and (D) other amounts that any Seller or the Company is obligated to pay based on arrangements made by any Seller or the Company prior to Closing in connection with the negotiation, execution, and delivery of this Agreement and any other agreement or document contemplated hereby or delivered pursuant hereto, or the consummation of the transactions contemplated hereby.

“Palmer Agreement” means the Operating Agreement of RP International, dated as of October 27, 2011.

“Permitted Liens” means: (a) Liens for taxes not yet due and payable; (b) mechanics, carriers', workmen's, repairmen's or other like liens arising or incurred in the ordinary course of

business consistent with past practice for amounts that are not delinquent and which are not, individually or in the aggregate, material to the Business of the Company; or (c) easements, rights of way, zoning ordinances and other similar restrictions of record affecting Real Property which are not, individually or in the aggregate, material to the business of the Company.

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

“Pre-Closing Tax Period” means any Tax period ending on or prior to the Closing Date and, with respect to any Straddle Period, the portion of any Straddle Period ending on and including the Closing Date.

“Related Party Transaction” means any Contract, arrangement, or understanding under which the Company or its Insiders: (i) has borrowed any monies from or has outstanding any Indebtedness or other similar obligations to any Seller or the Company or any of their respective Affiliates; (ii) owns any direct or indirect interest of any kind in, or is a director, governor, manager, officer, member, employee, partner, equity owner, consultant, or lender to, or borrower from, or has the right to participate in the management, operations, or profits of, any Person that (x) is a competitor, supplier, customer, distributor, lessor, tenant, creditor, or debtor of the Company, or (y) participates in any transaction to which any Seller or the Company is a party; or (iii) is or has been a party to any Contract, arrangement, understanding, or transaction with any Seller or the Company.

“Subsidiary” means, with respect to any Person, any corporation, limited liability company, partnership, association or other business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, directors or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof, or (ii) if a limited liability company, partnership, association or other business entity, a majority of the partnership or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by any Person or one or more Subsidiaries of that Person or a combination thereof.

“Tax” means all taxes, assessments, duties, fees or levies of a Governmental Authority including all United States federal, state, county, local, foreign and other income, gross receipts, ad valorem, franchise, profits, capital gains, capital stock, transfer, registration, escheat or unclaimed property laws, sales, use, value added, occupation, property, excise, utility, environmental, severance, communications, real or personal property, membership interest, windfall profits, stamp, license, payroll, wage, withholding, employment, unemployment, social security, severance, occupation, alternative or add-on minimum, estimated and other and other taxes, assessments, duties, fees or levies of any kind whatsoever (whether payable directly or by withholding and whether or not requiring the filing of a Tax Return), all estimated taxes, (including deficiency assessments, additions to tax, and penalties and interest thereon attributable thereto) whether disputed or not.

“Tax Return” means any return, statement, form, declaration, report, claim for refund, or information return or statement required to be filed or actually filed with any Governmental Authority relating to Taxes, including any elections, disclosure, estimate, schedule or attachment thereto, and including any amendment thereof.

“Unpaid Seller Expenses” means any obligations of the Company arising out of or relating to any Outstanding Transaction Expenses not paid at Closing pursuant to Section 1.3.

“Unpaid Indebtedness” means any Indebtedness of the Company as of the Closing Date that is not paid at Closing pursuant to Section 1.3.

“Working Capital Target” means Nine Million Two Hundred Two Thousand Dollars (\$9,202,000).

8.2 Construction of Certain Terms and Phrases. Unless the context of this Agreement otherwise requires, (a) words of any gender include each other gender, (b) words using the singular or plural number also include the plural or singular number, respectively, (c) the terms “hereof,” “herein,” “hereby” and derivative or similar words refer to this entire Agreement, (d) the term “including,” when used herein without the qualifier “without limitation,” will mean “including, without limitation” and (e) the terms “Article,” “Section,” “paragraph” or “clause” refer to the specified Article, Section, paragraph or clause of this Agreement.

ARTICLE IX MISCELLANEOUS

9.1 Notices. All notices, requests, demands, letters, waivers and other communications required or permitted to be given under this Agreement will be in writing and will be deemed to have been duly given if (a) delivered personally, (b) mailed, certified or registered mail with postage prepaid, (c) sent by next-day or overnight mail or delivery or (d) sent by fax or electronic mail, as follows:

if to Purchaser:

Gabriel Performance Products, LLC
725 State Road
Ashtabula, OH 44004
Attention: Chief Executive Officer
Facsimile: (440) 992-3204
E-Mail: seth.tomasch@gabrielchem.com

with a copy to (which will not constitute notice hereunder):

Fredrikson & Byron, P.A.
200 South Sixth Street, Suite 4000
Minneapolis, MN 55402-1425
Facsimile No.: (612) 492-7077
E-Mail: skearney@fredlaw.com

Attention: Sean Kearney, Esq.
Ryan Miest, Esq.

Audax Management Company, LLC
101 Huntington Avenue
Boston, MA 02199
Attention: General Counsel
Fax: (617) 859-1600

if to the Sellers' Representative (which will also constitute notice to each of the Sellers):

Harvinder (Harry) Anand
409 Beach Road
Sarasota, FL 34242
E-Mail: MayorAnand@Gmail.com

with a copy to (which will not constitute notice hereunder):

Taft Stettinius & Hollister LLP
200 Public Square, Suite 3500
Cleveland, Ohio 44114
Facsimile No.: (216) 241-3707
E-Mail: pnealis@taftlaw.com
Attention: Peter Nealis, Esq.

or to such other Person or address as any Party will specify by notice in writing to the Party entitled to notice. All such notices, requests, demands, letters, waivers and other communications will be deemed to have been received (a) if by personal delivery, on the day of such delivery, (b) if by certified or registered mail, on the fifth business day after the mailing thereof, (c) if by next-day or overnight mail or delivery, on the day delivered, or (d) if by fax or electronic mail, on the day on which such fax or electronic mail was sent, provided that a copy is also sent by certified, registered, next-day or overnight mail.

9.2 Interpretation. The headings and the table of contents contained in this Agreement are for reference purposes only and will not affect in any way the meaning or interpretation of this Agreement.

9.3 Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, the Parties agree that the court will modify such term to make it enforceable to the maximum extent possible. If the term cannot be modified, the parties agree that the term will be severed and all other terms of this Agreement will remain in effect, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

9.4 Further Assurances. The Parties agree (a) to furnish upon request to each other such further information, (b) to execute and deliver to each other such other documents, and (c) to do such other acts and things, all as the other Party may reasonably request for the purpose of carrying out the intent of this Agreement and the documents referred to in this Agreement.

9.5 Waiver. The rights and remedies of the Parties to this Agreement are cumulative and not alternative. Neither the failure nor any delay by any Party in exercising any right, power, or privilege under this Agreement or the documents referred to in this Agreement will operate as a waiver of such right, power, or privilege, and no single or partial exercise of any such right, power, or privilege will preclude any other or further exercise of such right, power, or privilege or the exercise of any other right, power, or privilege.

9.6 Public Statements. Neither the Company nor the Purchaser nor any Seller will issue any press release or make any other public statement relating to the transactions contemplated hereby unless (a) agreed to by Purchaser and the Sellers' Representative, or (b) required by a Legal Requirement; provided, however, that in the case of clause (b) of this sentence, any such release or statement will be subject to prior review by Purchaser and Sellers' Representative.

9.7 Injunctive Relief. Each Party acknowledges and agrees that the other Party's remedies at law for any violation or attempted violation of such Party's obligations under this Agreement would be inadequate and incomplete, and agree that in the event of any such violation or attempted violation, a Party will be entitled to seek a temporary restraining order, temporary and permanent injunctions, and other equitable relief, without the necessity of posting any bond or proving any actual damage, in addition to all other rights and remedies that may be available to such Party from time to time. Such remedies will be in addition to, and not in lieu of, other remedies that may be available at law or in equity.

9.8 Construction. The Parties acknowledge and agree that they have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the parties hereto and no presumption or burden of proof will arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement.

9.9 Counterparts. This Agreement may be executed in counterparts, which together will constitute one and the same Agreement. The Parties may execute more than one copy of the Agreement, each of which will constitute an original. Delivery of a fax or .pdf signature will be deemed the delivery of an original signature.

9.10 Entire Agreement; Amendment. This Agreement (including the documents and the instruments referred to herein) constitutes the entire agreement among the Parties and supersedes all prior agreements and understandings, agreements or representations by or among the Parties, written and oral, with respect to the subject matter hereof and thereof. This Agreement may not be amended except by a written agreement executed by Purchaser and Sellers.

9.11 Third Party Beneficiaries. This Agreement will not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns other than with respect to a Party Indemnified by Seller or Party Indemnified by Purchaser, who are intended third party beneficiaries of the provisions set forth in Article VII and the Released Persons who are the intended third party beneficiaries of the provisions set forth in Section 5.4 and Section 5.9.

9.12 Governing Law; Forum; Waiver of Jury Trial. This Agreement will be governed by and construed in accordance with the laws of the State of Delaware, without regard to the principles of conflicts of law thereof. Any judicial proceeding brought with respect to this Agreement must be brought in any court of competent jurisdiction in the State of Delaware, and, by execution and delivery of this Agreement, each Party (a) accepts, generally and unconditionally, the exclusive jurisdiction of such courts and any related appellate court, and irrevocably agrees to be bound by any judgment rendered thereby in connection with this Agreement, and (b) irrevocably waives any objection it may now or hereafter have as to the venue of any such suit, action or proceeding brought in such a court or that such court is an inconvenient forum. EACH PARTY WAIVES THE RIGHT TO A JURY TRIAL WITH RESPECT TO ANY DISPUTE RELATED TO THIS AGREEMENT.

9.13 Assignment. This Agreement and all of the provisions hereof will be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns, except that neither this Agreement nor any of the rights, interests or obligations under this Agreement may be assigned or delegated (a) by any Seller without the prior written consent of Purchaser in each instance, or (b) by Purchaser without the prior written consent of Sellers' Representative; provided, however, that, notwithstanding the foregoing, Purchaser may assign any or all of its rights pursuant to this Agreement (including its rights to indemnification) and any other agreements contemplated hereby or delivered pursuant hereto without the consent of Sellers Representative to any of its lender(s) as collateral security, to an Affiliate of Purchaser or Parent, or to any Person or Persons that acquire all or substantially all of the assets of Purchaser.

9.14 Expenses. Purchaser will be responsible for all costs, fees and expenses incurred by Purchaser in connection with this Agreement and the transactions contemplated hereby, except that in the event the Closing occurs, the Company will be responsible for all such amounts. Sellers will be jointly and severally responsible for all legal expenses incurred or payable by any Seller or the Company in connection with this Agreement and the transactions contemplated hereby and thereby.

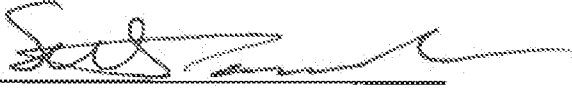
9.15 Data Site; Disclosure. Within seven (7) Business Days following the Closing, Sellers will deliver to Fredrikson & Byron, P.A., a CD with all information which the Company or any Seller posted, filed, saved, or otherwise made available to Fredrikson & Bryon, P.A. and Purchaser on that certain online data site maintained by or on behalf of Sellers and the Company and related to the transactions contemplated by this Agreement. A document will be considered "made available", "delivered" or other substantially terms if the document was provided to Purchaser or was posted to such data site and continuously available for review for a period of two (2) business days prior to the Closing Date.

[Signature pages follow]

IN WITNESS WHEREOF, this Unit Purchase and Contribution Agreement has been duly executed and delivered by, or on behalf of, the Parties, as of the date first above written.

PURCHASER:

GABRIEL PERFORMANCE PRODUCTS, LLC

A handwritten signature in black ink, appearing to read 'Seth Tomasch', written over a horizontal line.

By: Seth Tomasch


Its: President and Chief Executive Officer

[Signature Page to Unit Purchase Agreement]

TRADEMARK
REEL: 006697 FRAME: 0481

IN WITNESS WHEREOF, this Unit Purchase and Contribution Agreement has been duly executed and delivered by, or on behalf of, the Parties, as of the date first above written.

SELLERS:



Harvinder (Harry) Anand

Albert J. Royce, III

Wylie H. Royce

Victor Villafranca

[Signature page to Unit Purchase Agreement]

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SELLERS:

.....
Harvinder (Harry) Atand



.....
Albert J. Rayce, III

.....
Wylie H. Rayce

.....
Victor Villafranca

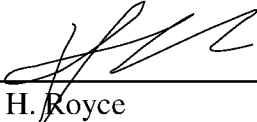
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Victor Villafranca

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SELLERS:

Harvinder (Harry) Anand

Albert J. Royce, III

Wylie H. Royce



Victor Villafranca

[Signature page to Unit Purchase Agreement]

Exhibit 1.4(a)

Sample Working Capital Statement

See attached.

	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	LTM	Mar-18	Calculated	Comments
\$000																
Current assets																
Cash & cash equivalents	494	650	552	552	1,089	792	891	1,398	1,375	1,326	893	1,533	956	440	N	
Accounts receivable	2,917	2,786	3,130	3,732	4,697	4,662	3,912	3,142	2,649	3,195	4,636	3,632	5,064	5,064	N	
Inventory	6,964	6,891	7,001	7,791	8,791	9,362	9,503	9,671	9,690	9,767	9,207	7,661	6,599	7,664	N	
Other current assets	2	18	10	22	59	3	10	20	5	14	(1)	3	14	4	N	
Current liabilities																
Accounts payable	2,222	1,886	1,769	2,764	3,218	3,157	3,329	2,967	2,861	2,637	2,156	2,553	2,588	2,747	N	
Accrued liabilities	381	335	312	635	947	1,000	1,379	1,370	1,425	1,072	1,040	1,163	937	716	N	
Other current liabilities	102	102	103	102	102	102	102	50	51	60	85	85	90	81	N	
Current liabilities	2,685	2,323	2,203	3,701	4,267	4,259	4,810	4,417	3,867	3,769	3,291	3,806	3,615	3,544	N	
Reported NWC	7,992	8,022	8,470	8,407	9,410	10,556	10,465	10,755	10,589	10,168	10,004	10,026	9,546	9,486		
Exclusions from Reported NWC																
i) Cash	(494)	(650)	(552)	(552)	(1,089)	(792)	(891)	(1,398)	(1,375)	(1,326)	(893)	(1,533)	(956)	(440)	N	
ii) Duty returns	27	27	27	27	27	27	27	27	27	27	27	27	27	27	N	
iii) Undeposited funds	(4)	(10)	(26)	(5)	(17)	(2)	(6)	(0)	(16)	(56)	(10)	(16)	(12)	-	N	
iv) Payroll tax	-	-	-	(17)	(56)	-	-	(14)	(9)	-	-	-	(6)	-	N	
v) Customer deposits	43	43	44	43	43	43	43	1	2	2	36	27	31	22	N	
vi) Exclusions from Reported NWC	(427)	(569)	(486)	(483)	(1,082)	(713)	(827)	(1,354)	(1,382)	(1,342)	(839)	(1,494)	(918)	(391)	N	
Adjusted NWC	7,565	7,452	7,984	7,924	8,318	9,843	9,638	9,401	9,207	8,826	9,165	8,534	8,528	9,095		
Deferred NWC																
1) Overhead adjustments identified	-	-	-	-	(155)	(472)	(714)	(723)	(1,525)	(1,352)	(977)	(634)	(583)	-	N	
2) Normalized A accruals	120	122	124	673	675	677	1,138	1,140	1,142	614	616	616	638	-	N	
3) Normalized employee bonus accrual	124	105	60	43	124	165	66	43	76	276	235	342	136	-	N	
4) ESO reserve	508	488	482	365	73	(63)	(37)	(129)	(64)	(150)	(60)	(54)	112	-	N	
5) AR reserve	147	147	147	147	147	147	147	147	147	147	147	147	147	147	N	
6) AR profits	49	49	49	49	49	49	49	49	49	49	49	49	49	46	N	
7) Normalized ADA	58	59	58	57	56	51	50	49	48	46	47	46	46	46	N	
Total adjustments to Reported NWC	1,007	969	895	1,304	970	552	699	577	(127)	(389)	57	314	574	239		
Adjusted NWC	8,572	8,421	8,879	9,228	9,288	10,395	10,338	9,978	9,080	8,437	9,222	8,848	9,202	9,334		
A. Net Working Capital Prop. Proposal														9,202		
B. Estimated Net Working Capital														9,486		
C. Working Capital True Up Payment														284		

Notes:
 Sources: information provided by Management
 (1) Inventory reserves to reflect partial roll-off to reporting success inventory purchases
 (2) Adjust from raw material duty refund calculation (then 0)

A. Net Working Capital Prop. Proposal
 (Based on LTM February)

B. Estimated Net Working Capital
 (Provided by Royce on 4/22/2018)

C. Working Capital True Up Payment
 (Due to Sellers / Owed to Buyers)

See accompanying inventory analysis worksheet for detail. All data were derived from the information in turn providing seller payment for excess inventory.
 Primarily accrued rework/return & director fees.
 Primarily to reverse amounts accrued for buyer's bonus.
 Based on reviewing Target's reserves and calculating a reserve at the SKU level. See inventory analysis for more detail.
 Target first returns from new customers during 2013 and 2018. Credits were issued for reverse return. Represents a long term liability.
 Offsetting tax collections from customers is included in cash, creating a NWC impact for transactions that should net to zero.
 Target started an artificially high reserve during Dec-18. A new Blueberry reserve was calculated based on whole cigs.
 Analysis to be rolled forward and recalculated for Blueberry materials available prior to finalization and closing.

Example to be provided by Seller - 3 days prior to close, then final delivered post close and true-up for actual balances.
 Owed to Seller if Net Working Capital delivered is greater than prop. owed to Buyer if NWC is less than prop.

Exhibit 1.5(c)

Allocation Statement

Purchaser and the Sellers agree that for U.S. federal income Tax purposes the Purchase Price will be allocated among the assets of the Company deemed purchased and sold in accordance with the following methodology:

Cash (Class I)	The Amount of Cash purchased in USD, as finally determined.
Marketable Securities and Certificates of Deposit (Class II)	Not applicable
Accounts Receivable (Class III)	Amounts included in Closing Working Capital, as finally determined, excluding the portion attributable to RP International, LLC.
Inventory (Class IV)	Amounts included in Closing Working Capital, as finally determined, excluding the portion attributable to RP International, LLC.
Prepaid Expenses and Other Current Assets (Class V)	Amounts included in Closing Working Capital, as finally determined, excluding the portion attributable to RP International, LLC.
Leasehold Improvements, Machinery and Equipment, Furniture and Fixtures and Vehicles (Class V)	Leasehold improvements, machinery and equipment, furniture and fixtures, and vehicles, shall be allocated a portion of the Purchase Price equal to their respective fair market values, which the parties agree for this purpose equals their net book value immediately prior to the Closing.
Investment in RP International, LLC (Class V)	Investment in RP International, LLC shall be allocated a portion of the Purchase Price equal to its fair market value, which the parties agree for this purpose equals the net book value immediately prior to the Closing.
Certain Intangibles (Class VI)	\$-0-
Goodwill and Going Concern Value (Class VII)	Remainder of the amount not allocated above.

DISCLOSURE SCHEDULE

to

UNIT PURCHASE AGREEMENT

among

GABRIEL PERFORMANCE PRODUCTS, LLC

**HARVINDER (HARRY) ANAND,
ALBERT J. ROYCE III,
WYLIE H. ROYCE
and VICTOR VILAFRANCA,**

the members of

ROYCE INTERNATIONAL, LLC,

dated as of

April 5, 2018

Attached hereto is the Disclosure Schedule to that certain Unit Purchase Agreement, dated as of April 5, 2018 (the “**Agreement**”), by and among Gabriel Performance Products, LLC, an Ohio limited liability company (the “**Purchaser**”), and Harvinder (Harry) Anand, Albert J. Royce, Wylie H. Royce and Victor Villafranca (each, a “**Seller**”, and together with the Company, the “**Sellers**”), the members of Royce International, LLC, a Florida limited liability company (the “**Company**”). Any capitalized terms defined in this Disclosure Schedule shall have the same meaning when used in any other Section of the Disclosure Schedule, unless the context clearly requires otherwise.

Section references used in this Disclosure Schedule are to sections of the Agreement pursuant to which the information is being disclosed and have been provided for reference only. In addition, headings contained in the Disclosure Schedule are for convenience of reference only and shall not be deemed to modify or influence the interpretation of the information contained herein or in the Agreement. Matters reflected in the Disclosures Schedule are not necessarily limited to matters required by the Agreement to be reflected in the Disclosure Schedule. Such additional matters are set forth for informational purposes and do not necessarily include other matters of a similar nature.

Information disclosed in one section of this Disclosure Schedule shall be deemed to be disclosed in such other sections of this Disclosure Schedule and applicable to such other representations

and warranties to the extent that the disclosure is reasonably apparent to an independent third party from a reading of such disclosure item to be applicable to such other section of this Disclosure Schedule and such other representations and warranties. This Disclosure Schedule may include items and information that are not "material" relative to the entire business of the Company or Seller, taken as a whole, and such inclusion shall not be deemed to be an acknowledgment or agreement that any such item or information (or any non-disclosed item or information of comparable or greater significance) is "material" or to further define the meaning of such term for purposes of the Agreement or otherwise.

In disclosing this information, the Company expressly does not waive any attorney-client privilege associated with such information or any protection afforded by the work-product doctrine with respect to any of the matters disclosed or referenced herein.

[Remainder of Page Intentionally Left Blank]

DISCLOSURE SCHEDULE

Section 2.1(a) – Organization and Qualification

Section 2.3 – Transfer Restrictions

Section 2.4 – Capitalization

Section 2.5 - Subsidiaries

Section 2.6(a) – Financial Statements

Section 2.6(c) – Accounts Receivable

Section 2.6(e) – Refund of Duties

Section 2.7 – Indebtedness

Section 2.8 – Absence of Certain Changes

Section 2.10(a) – Compliance with Laws and Regulations; Permits

Section 2.11(a) – Tax Matters

Section 2.12 – Environmental Matters

Section 2.13(a) – Intellectual Property

Section 2.14 – Real Property

Section 2.15 – Litigation

Section 2.16(a) – Employee Benefits

Section 2.16(e) – Multiple Employer Plans

Section 2.17 – Insurance

Section 2.18 – Material Contracts

Section 2.18(b) – Consents

Section 2.19 – Employee Leave

Section 2.20 – Employee Matters

Section 2.21 – Affiliate Transactions

Section 2.22 – Brokerage

Section 2.23 – Suppliers and Customers

Section 2.24 – Financial Accounts and Authority

Section 2.25 – Warranties and Certifications; Product Liability

Section 3.4 – Title to Equity

Section 3.7 – Brokerage

Section 2.1(a)

Organization and Qualification

None.

Section 2.3

Transfer Restrictions

Section V(C) of the Operating Agreement of Royce International, LLC, dated as of June 30, 2012, by and among Royce International, LLC, Harvinder Anand, A. Jay Royce, III, Wylie H. Royce, Victor Villafranca and Ronald Bluestein, contains certain right of first refusal obligations exercisable by the Sellers and the Company in the event that a member seeks to transfer his Company membership interests to a third party. The Sellers and the Company will not exercise such rights of first refusal in connection with the closing.

Section 2.4

Capitalization

Current Capitalization of Royce International, LLC:

Member	Units	Percent Ownership
Harvinder Anand	25	31.46%
Albert Jay Royce, III	25	31.46%
Wylie H. Royce	25	31.46%
Victor Villafranca	4.47	5.62%
TOTAL	79.47	100.00%

Section 2.5

Subsidiaries

The Company has no Subsidiaries but owns 50% of the membership interests of RP International, LLC, a Florida limited liability company ("RP International").

Section 2.6(a)

Financial Statements

See attached.

ROYCE INTERNATIONAL, LLC

FINANCIAL STATEMENTS

December 31, 2014

(Reviewed)

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BALANCE SHEET2
STATEMENT OF INCOME AND PARTNERS' CAPITAL3
STATEMENT OF CASH FLOWS.....4
NOTES TO FINANCIAL STATEMENTS..... 5-7

ROSS, ANGLIM, ANGELINI & Co., LLP

Certified Public Accountants

775 Mountain Boulevard • Watchung, New Jersey 07069 • 908-561-1600

Michael Ross, CPA

John N. Anglim, CPA (1946 - 2011)

Raymond A. Angelini, CPA

Steven M. Sebald, CPA

Thomas J. Roettler, CPA

Jeffrey M. Weinstein, CPA

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Ellen Harrison, MS Tax

Board of Directors
Royce International, LLC
Sarasota, Florida

We have reviewed the accompanying balance sheet of Royce International, LLC as of December 31, 2014, and the related statements of income and partners' capital and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, with the exception of the matter described in the following paragraph, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

As disclosed in Note 7 to the financial statements, accounting principles generally accepted in the United States of America require the primary beneficiary of a variable interest entity to consolidate the variable interest entity in its financial statements. The Company's financial statements do not include the account of various entities in which the same partners of the Company hold a variable interest and as the primary beneficiaries are entitled to receive a majority of the partnership's residual returns. The effects of this departure from accounting principles generally accepted in the United States of America on the financial position, results of operations, and cash flows have not been determined.

Ross, Anglim, Angelini & Co., LLP

Watchung, New Jersey
March 16, 2015

TRADEMARK
REEL: 006697 FRAME: 0500

ROYCE INTERNATIONAL, LLC

BALANCE SHEET

December 31, 2014

ASSETS

CURRENT ASSETS

Cash	\$ 548,127
Accounts receivable, trade	3,475,297
Inventory, at cost	6,953,137
Prepaid expenses	<u>8,235</u>

TOTAL CURRENT ASSETS 10,984,796

PROPERTY AND EQUIPMENT, at cost, less
accumulated depreciation of \$15,143

-

INVESTMENT IN RP INTERNATIONAL, LLC

499,125

TOTAL ASSETS

\$ 11,483,921

LIABILITIES AND PARTNERS' CAPITAL

CURRENT LIABILITIES

Accounts payable	\$ 3,534,500
Accrued expenses	225,214
Note payable, bank	<u>2,939,361</u>

TOTAL CURRENT LIABILITIES

6,699,075

PARTNERS' CAPITAL

4,784,846

TOTAL LIABILITIES AND PARTNERS' CAPITAL

\$ 11,483,921

See accompanying notes and independent accountant's review report.

ROYCE INTERNATIONAL, LLC
STATEMENT OF INCOME AND PARTNERS' CAPITAL
For the Year Ended December 31, 2014

SALES	<u>\$ 26,504,757</u>
COST OF GOODS SOLD	
Beginning inventory	5,564,580
Purchases	<u>22,286,107</u>
Total available for sale	27,850,687
Ending inventory	<u>(6,953,137)</u>
	20,897,550
Transportation	521,941
Factory expenses	<u>463,626</u>
TOTAL COST OF GOODS SOLD	<u>21,883,117</u>
GROSS PROFIT	<u>4,621,640</u>
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	
Labor and wages	1,727,445
Directors' fees	75,000
Interest expense, net	51,515
Travel	181,147
Management fees	1,080,000
Payroll taxes	112,718
Rent and property taxes	39,412
Office expense	48,491
Insurance	136,067
Employee benefits	78,055
Professional fees	217,728
Entertainment	41,062
Selling expenses	49,312
Miscellaneous	20,626
Bad debt	22,778
Research and development	<u>900</u>
	<u>3,882,236</u>
INCOME BEFORE OTHER INCOME	739,384
PARTNERSHIP INCOME, RP International, LLC	<u>274,355</u>
NET INCOME	1,013,739
PARTNERS CAPITAL, beginning of year	4,236,303
LESS: distributions	<u>463,196</u>
PARTNERS' CAPITAL, end of year	<u>\$ 4,784,846</u>

See accompanying notes and independent accountant's review report.

ROYCE INTERNATIONAL, LLC
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2014

CASH FLOWS FROM OPERATING ACTIVITIES	
Net income	\$ 1,013,739
Income from RP International, LLC	(247,903)
Adjustments to reconcile net income to net cash provided by operating activities:	
(Increase) decrease in assets	
Accounts receivable, trade	(779,055)
Inventory, at cost	(1,388,556)
Prepaid expenses	(5,065)
Other assets	303,332
Increase (decrease) in liabilities	
Accounts payable	1,390,393
Accrued expenses	<u>21,899</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>308,784</u>
 CASH FLOWS FROM INVESTING ACTIVITIES	
Distributions from RP International, LLC	<u>191,946</u>
 CASH FLOWS FROM FINANCING ACTIVITIES	
Payment on bank loan	(4,425,000)
Proceeds from bank loan	4,415,000
Distributions to partners	<u>(465,196)</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>(475,196)</u>
 NET INCREASE IN CASH	 25,534
 CASH, beginning of year	 <u>522,593</u>
 CASH, end of year	 <u>\$ 548,127</u>
 SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION	
 Interest paid	 <u>\$ 51,516</u>
 Income taxes paid	 <u>\$ 38,280</u>

See accompanying notes and independent accountant's review report.

ROYCE INTERNATIONAL, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

History of Company

Royce International, LLC, ("the Company") is a limited liability company, organized under the State of Florida in June 2012.

On June 30, 2012, Royce International Corp. was converted to Royce International, LLC under the laws of the State of Florida.

Nature of Operations

The Company imports and exports resins and dyes which are used in epoxy and other mixtures.

Cash and Cash Equivalents

Cash equivalents consist of short-term, highly liquid investments, which are readily convertible to cash, with an original maturity of three months or less at the date of purchase.

At times, cash balances held at financial institutions may be in excess of the federally insured limit of \$250,000. At times during the year, these balances may have exceeded federally insured limits.

Accounts Receivable

Accounts receivable consist of trade receivables recorded at original invoice amounts less an estimated allowance for uncollectible accounts. Trade credit is generally extended on a short-term basis; thus trade receivables do not bear interest, although a finance charge may be applied to receivables that are past due. Trade receivables are periodically evaluated for collectability based on past credit histories with customers and their current financial conditions. Changes in the estimated collectability of trade receivables are recorded in the results of operations for the period in which the estimates are revised. Trade receivables that are deemed uncollectible are offset against the allowance for uncollectible accounts. The Company generally does not require collateral for trade receivables.

Inventories

Inventories are valued at the lower of cost (first-in, first-out method) or market.

Investments

Investments are recorded under the equity method of accounting.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is computed on the straight-line method over the estimated useful lives of the assets. Maintenance and repairs are charged to expense as incurred.

Revenue Recognition

The Company records revenue when a product is shipped and title and risk of loss passes to the customer.

Shipping and Handling

Amounts billed to customers in a sale transaction related to shipping and handling are included in revenue as required by the Financial Accounting Standards Board (FASB) Emerging Issues Task Force (EITF) Consensus Report 00-10.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

ROYCE INTERNATIONAL, LLC
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2014

Note 4 - ECONOMIC DEPENDENCY

The Company has two suppliers who provided approximately 28% of its products, and one customer who accounted for 9% of the Company's sales.

Note 5 - AFFILIATED COMPANY TRANSACTIONS

The Company collects a management fee from RP International, LLC for processing its transactions. The related management fee collected by the Company for 2014 was \$26,453. Included in other income for the year ended December 31, 2014 is \$26,453. This fee was offset against the expenses of the Company.

The Company utilizes a warehouse in Newark, New Jersey which is leased by an affiliated company. The affiliate bills the Company on a monthly basis for a percentage of rent and overhead associated to the space it utilizes. During 2014, the Company recorded warehouse expense of \$288,540 relating to this space.

Note 6 - NOTE PAYABLE - BANK

On September 12, 2012, the Company entered into a revolving line of credit with Wells Fargo Bank, NA. The line expires on September 30, 2016 with a limit not to exceed \$5,500,000. The outstanding balance will bear interest at a rate of 1.75% over the daily one month LIBOR rate. This line is collateralized by all the accounts receivable, inventory and equipment of the Company and is also subject to financial covenants and limitations as set forth in the loan agreement. The balance of the note was \$3,534,500 at December 31, 2014.

Note 7 - VARIABLE INTEREST ENTITIES

The Company does not include in its financial statements various entities under common ownership and/or control. These entities have been determined to be variable interest entities in which the Company and its owners are the primary beneficiaries of the result of these entities. The amount of related party transactions is not material to the Company's financial statements and is not readily determinable.

Note 8 - RETIREMENT PLAN

The Company has instituted a 401(k) retirement plan covering salaried employees who have attained age 21 and completed one year of service. Salary deferral contributions range from 1% to 18% percent of eligible compensation up to the statutory limit. The Company will match \$.25 for each \$1 of each salary deferral contribution to a maximum of 1% of compensation. After three years of service, the participants are fully vested. The Company's contribution for 2014 totaled \$2,350.

Note 9 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 16, 2015, which is the date the financial statements were available to be issued.

ROYCE INTERNATIONAL, LLC

FINANCIAL STATEMENTS

December 31, 2015

(Reviewed)

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ROSS, ANGLIM, ANGELINI & Co., LLP

Certified Public Accountants

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John N. Anglim, CPA (1946 - 2011)

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Steven M. Sebold, CPA

Thomas J. Roettker, CPA

Jeffrey M. Weinstein, CPA

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Ellen Harrison, MS Tax

To Management
Royce International, LLC
Sarasota, Florida

We have reviewed the accompanying financial statements of Royce International, LLC, which comprise the balance sheet as of December 31, 2015, and the related statements of income and partners' capital and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management.

A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our report.

Accountant's Conclusion

Based on our review, except for the issue noted in the Known Departure From Accounting Principles Generally Accepted in the United States of America paragraph, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

ROSS, ANGLIM, ANGELINI & Co., LLP

Certified Public Accountants

To Management
Royce International, LLC
Page Two

Known Departure from Accounting Principles Generally Accepted in the United States of America

Accounting principles generally accepted in the United States of America require management to assess whether the Company has a controlling interest in any entities in which the Company has a variable interest in order to determine if those entities should be consolidated. Management has not performed the required assessment and therefore, if there are variable interest entities for which the Company is the primary beneficiary, has not consolidated those entities. Although, management has not determined the effects on the financial statements of the failure to perform the required assessment, many elements in the financial statements would be materially affected had management determined that the Company is the primary beneficiary of any variable interest entities.

Ross, Anglim, Angelini & Co., LLP

Watchung, New Jersey
March 16, 2016

TRADEMARK
REEL: 006697 FRAME: 0509

ROYCE INTERNATIONAL, LLC

BALANCE SHEET

December 31, 2015

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 708,173
Accounts receivable, net of allowance for doubtful accounts of \$50,000	1,903,647
Inventory, at cost	6,117,883
Prepaid expenses	<u>8,785</u>
TOTAL CURRENT ASSETS	8,738,488

OFFICE EQUIPMENT, at cost, less
accumulated depreciation of \$15,143

-

INVESTMENT IN RP INTERNATIONAL, LLC

529,953

TOTAL ASSETS

\$ 9,268,441

LIABILITIES AND PARTNERS' CAPITAL

CURRENT LIABILITIES

Note payable, bank	\$ 1,589,500
Accounts payable	1,929,928
Accrued expenses	<u>332,872</u>

TOTAL CURRENT LIABILITIES

3,852,300

PARTNERS' CAPITAL

5,416,141

TOTAL LIABILITIES AND PARTNERS' CAPITAL

\$ 9,268,441

See accompanying notes and independent accountant's review report.

ROYCE INTERNATIONAL, LLC
STATEMENT OF INCOME AND PARTNERS' CAPITAL
For the Year Ended December 31, 2015

SALES	<u>\$ 22,841,798</u>
COST OF GOODS SOLD	
Beginning inventory	6,953,137
Purchases	<u>17,541,904</u>
Total available for sale	24,495,041
Ending inventory	<u>(6,117,883)</u>
	18,377,158
Transportation	506,454
Factory expenses	<u>478,271</u>
TOTAL COST OF GOODS SOLD	<u>19,361,883</u>
GROSS PROFIT	<u>3,479,915</u>
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	
Labor and wages	1,253,777
Directors' fees	75,000
Interest expense	50,614
Travel	142,314
Management fees	725,000
Payroll taxes and partnership taxes	154,167
Rent and property taxes	57,019
Office expense	45,314
Insurance	107,086
Employee benefits	49,498
Professional fees	299,385
Entertainment	31,927
Selling expenses	67,287
Miscellaneous	14,807
Bad debt	21,810
Research and development	<u>750</u>
TOTAL SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	<u>3,095,755</u>
INCOME BEFORE OTHER INCOME	384,160
INVESTMENT INCOME	<u>253,270</u>
NET INCOME	637,430
PARTNERS CAPITAL, beginning of year	4,784,846
LESS: distributions	<u>6,135</u>
PARTNERS' CAPITAL, end of year	<u>\$ 5,416,141</u>

See accompanying notes and independent accountant's review report.

ROYCE INTERNATIONAL, LLC
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2015

CASH FLOWS FROM OPERATING ACTIVITIES	
Net income	\$ 637,430
Income from RP International, LLC	(230,828)
Adjustments to reconcile net income to net cash provided by operating activities:	
(Increase) decrease in assets	
Accounts receivable, trade	1,571,650
Inventory, at cost	835,253
Prepaid expenses	(550)
Increase (decrease) in liabilities	
Accounts payable	(1,009,433)
Accrued expenses	<u>107,659</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>1,911,181</u>
 CASH FLOWS FROM INVESTING ACTIVITIES	
Distributions from RP International, LLC	<u>200,000</u>
 CASH FLOWS FROM FINANCING ACTIVITIES	
Payment on bank loan	(4,700,000)
Proceeds from bank loan	2,755,000
Distributions to partners	<u>(6,135)</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>(1,951,135)</u>
 NET INCREASE IN CASH AND EQUIVALENTS	 160,046
 CASH AND EQUIVALENTS, beginning of year	 <u>548,127</u>
 CASH AND EQUIVALENTS, end of year	 <u>\$ 708,173</u>
 SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION	
Interest paid	<u>\$ 50,614</u>

See accompanying notes and independent accountant's review report.

ROYCE INTERNATIONAL, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

Note 1 -- ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Royce International, LLC, ("the Company") is a limited liability company, organized under the State of Florida in June 2012.

On June 30, 2012, Royce International Corp. was converted to Royce International, LLC under the laws of the State of Florida.

Nature of Operations

The Company imports and exports resins and dyes though out the United States of America which are used in epoxy and other mixtures.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash equivalents consist of short-term, highly liquid investments, which are readily convertible to cash, with an original maturity of three months or less at the date of purchase.

At times, cash balances held at financial institutions may be in excess of the federally insured limit of \$250,000. At times during the year, these balances may have exceeded federally insured limits.

Accounts Receivable

Accounts receivable consist of trade receivables recorded at original invoice amounts less an estimated allowance for uncollectible accounts. Trade credit is generally extended on a short-term basis; thus trade receivables do not bear interest, although a finance charge may be applied to receivables that are past due. Trade receivables are periodically evaluated for collectability based on past credit histories with customers and their current financial conditions. Changes in the estimated collectability of trade receivables are recorded in the results of operations for the period in which the estimates are revised. Trade receivables that are deemed uncollectible are offset against the allowance for uncollectible accounts. The Company generally does not require collateral for trade receivables.

Inventories

Inventories are valued at the lower of cost (first-in, first-out method) or market.

Investments

Investments are recorded under the equity method of accounting.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is computed on the straight-line method over the estimated useful lives of the assets. Maintenance and repairs are charged to expense as incurred.

Revenue Recognition

The Company records revenue when a product is shipped and title and risk of loss passes to the customer.

Shipping and Handling

Amounts billed to customers in a sale transaction related to shipping and handling are included in revenue.

ROYCE INTERNATIONAL, LLC
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2015

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated Absences

Employees of the Company are entitled to paid vacation and sick days, depending on length of service and other factors. It is impractical to estimate the amount of compensation for future absences, and, accordingly, no liability has been recorded in the accompanying financial statements. The Company's policy is to recognize the costs of compensated absences when actually paid to employees.

Income Taxes

For federal and state purposes, the Company is a partnership and, as such, the income taxes are the responsibility of the respective partners. The Company accounts for uncertainties in income taxes, which requires that a tax position be recognized or derecognized based on a "more-likely-than-not" threshold. This applies to positions taken or expected to be taken in a tax return. The Company's financial statements do not include the effects of any uncertain tax positions at December 31, 2015.

The Company files income tax returns in the U.S. Federal jurisdiction and various states. Federal income tax returns for tax years 2012 and beyond remain subject to examination by the Internal Revenue Service.

Note 2 - INVESTMENT IN RP INTERNATIONAL, LLC

In June 2009, Royce International, LLC (formerly Royce International Corp.) entered into a partnership agreement with Palmer International, Inc., forming an equal interest in a new entity called RP International, LLC. This interest was assigned to the Company on June 30, 2012.

Note 3 - COMMITMENTS & CONTINGENCIES

The Company moved its office to Sarasota, Florida and entered into a lease agreement that extends through November 14, 2016. Included in rent expense is \$21,627 for 2015.

On August 1, 2012, the Company entered into an operating lease with a related company. The term of the lease is 10 years and monthly rent is \$1,709 through September 2015 increasing to \$1,735, thereafter. Rent will annually increase by the consumer price index. Included in rent expense is \$20,642 for 2015.

The future minimum rental payments are as follows:

2016	\$ 42,356
2017	20,822
2018	20,822
2019	20,822
2020r	20,822
Thereafter	<u>32,968</u>
	<u>\$ 158,612</u>

ROYCE INTERNATIONAL, LLC
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2015

Note 4 - ECONOMIC DEPENDENCY

The Company has two suppliers who provided approximately 46% of its products during 2015.

Note 5 - RELATED PARTY

The Company collects a management fee from RP International, LLC for processing its transactions. The related management fee collected by the Company for 2015 was \$22,442 and is included in other income for the year ended December 31, 2015. This fee was offset against the expenses of the Company.

The Company paid rent to a related party of \$14,750 as of December 31, 2015.

Note 6 - NOTE PAYABLE - BANK

On September 12, 2012, the Company entered into a revolving line of credit with Wells Fargo Bank, NA. The line expires on September 30, 2016 with a limit not to exceed \$5,500,000. The outstanding balance will bear interest at a rate of 1.75% over the daily one month LIBOR rate. This line is collateralized by all the accounts receivable, inventory and equipment of the Company and is also subject to financial covenants and limitations as set forth in the loan agreement. At December 31, 2015, the available balance for additional borrowings totaled \$3,910,500.

Note 7 - INVESTMENT INCOME

Investment income for the year ended December 31, 2015 consists of the following from RP International, LLC:

Management fee	\$ 22,442
Net income	<u>230,828</u>
	<u>\$ 253,270</u>

Note 8 - RETIREMENT PLAN

The Company has instituted a 401(k) retirement plan covering salaried employees who have attained age 21 and completed one year of service. Salary deferral contributions range from 1% to 18% percent of eligible compensation up to the statutory limit. The Company will match \$.25 for each \$1 of each salary deferral contribution to a maximum of 1% of compensation. After three years of service, the participants are fully vested. The Company's contribution for 2015 totaled \$2,089.

Note 9 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 16, 2016, which is the date the financial statements were available to be issued.

ROYCE INTERNATIONAL, LLC

FINANCIAL STATEMENTS

December 31, 2016

(Reviewed)

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ROSS, ANGLIM, ANGELINI & Co., LLP

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Jeffrey M. Weinstein, CPA

Ellen Harrison, MS Tax

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To Management
Royce International, LLC
Sarasota, Florida

We have reviewed the accompanying financial statements of Royce International, LLC, which comprise the balance sheet as of December 31, 2016, and the related statements of income and changes in members' capital and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, except for the issue noted in the Known Departure From Accounting Principles Generally Accepted in the United States of America paragraph, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

ROSS, ANGLIM, ANGELINI & CO., LLP

Certified Public Accountants

To Management
Royce International, LLC
Page two

Known Departure from Accounting Principles Generally Accepted in the United States of America

Accounting principles generally accepted in the United States of America require management to assess whether the Company has a controlling interest in any entities in which the Company has a variable interest in order to determine if those entities should be consolidated. Management has not performed the required assessment and therefore, if there are variable interest entities for which the Company is the primary beneficiary, has not consolidated those entities. Although, management has not determined the effects on the financial statements of the failure to perform the required assessment, many elements in the financial statements would have been materially affected had management determined that the Company is the primary beneficiary of any variable interest entities.

Ross, Anglim, Angelini & Co., LLP

Watchung, New Jersey
March 31, 2017

ROYCE INTERNATIONAL, LLC

BALANCE SHEET

December 31, 2016

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 48,931
Accounts receivable, net of allowance for doubtful accounts of \$115,000	1,590,509
Inventories	6,292,698
Prepaid expenses	<u>9,526</u>

TOTAL CURRENT ASSETS 7,941,664

INVESTMENT IN RP INTERNATIONAL, LLC 632,044

TOTAL ASSETS \$ 8,573,708

LIABILITIES AND MEMBERS' CAPITAL

CURRENT LIABILITIES

Line of credit	\$ 1,389,500
Accounts payable	871,148
Accrued liabilities	<u>294,093</u>

TOTAL CURRENT LIABILITIES 2,554,741

MEMBERS' CAPITAL 6,018,967

TOTAL LIABILITIES AND MEMBERS' CAPITAL \$ 8,573,708

See accompanying notes and independent accountant's review report.

ROYCE INTERNATIONAL, LLC
STATEMENT OF INCOME AND CHANGES IN MEMBERS' CAPITAL
For the Year Ended December 31, 2016

NET SALES	<u>\$ 20,136,340</u>
COST OF GOODS SOLD	
Beginning inventory	6,117,883
Purchases	<u>15,868,472</u>
Total available for sale	21,986,355
Ending inventory	<u>(6,292,698)</u>
	15,693,657
Transportation	520,618
Factory	<u>399,199</u>
	15,693,657
TOTAL COST OF GOODS SOLD	<u>16,613,474</u>
GROSS PROFIT	<u>3,522,866</u>
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	
Labor and wages	1,417,252
Directors' fees	60,000
Interest	28,530
Travel	150,385
Management fees	600,000
Payroll taxes and partnership taxes	154,383
Rent and property taxes	70,650
Office	51,152
Insurance	132,178
Employee benefits	36,978
Professional fees	297,784
Entertainment	75,729
Selling	57,295
Miscellaneous	23,687
Research and development	1,040
Bad debt	<u>65,000</u>
	1,417,252
TOTAL SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	<u>3,222,043</u>
INCOME BEFORE OTHER INCOME	300,823
OTHER INCOME	<u>302,003</u>
NET INCOME	602,826
MEMBERS' CAPITAL, beginning of year	<u>5,416,141</u>
MEMBERS' CAPITAL, end of year	<u>\$ 6,018,967</u>

See accompanying notes and independent accountant's review report.

ROYCE INTERNATIONAL, LLC
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2016

CASH FLOWS FROM OPERATING ACTIVITIES	
Net income	\$ 602,826
Adjustments to reconcile net income to net cash provided by operating activities:	
Income from RP International, LLC	(277,091)
Changes in operating assets and liabilities	
Accounts receivable	313,139
Inventories	(174,815)
Prepaid expenses	(6,765)
Accounts payable	(1,058,780)
Accrued liabilities	<u>(32,756)</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>(634,242)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES	
Distributions from RP International, LLC	<u>175,000</u>
 CASH FLOWS FROM FINANCING ACTIVITIES	
Repayment on line of credit, net	<u>(200,000)</u>
 NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(659,242)</u>
 CASH AND CASH EQUIVALENTS, beginning of year	<u>708,173</u>
 CASH AND CASH EQUIVALENTS, end of year	<u>\$ 48,931</u>
 SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION	
Cash paid during the year for interest	<u>\$ 28,530</u>

See accompanying notes and independent accountant's review report.

ROYCE INTERNATIONAL, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

Note 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company imports and exports resins and dyes through out the United States of America which are used in epoxy and other mixtures.

Basis of Presentation

The accompanying financial statements of the Partnership have been presented in conformity with accounting principles generally accepted in the United States of America ("GAAP").

Cash and Cash Equivalents

Cash equivalents consist of short-term, highly liquid investments, which are readily convertible to cash, with an original maturity of three months or less at the date of purchase.

At times, cash balances held at financial institutions may be in excess of the federally insured limit of \$250,000. At times during the year, these balances may have exceeded federally insured limits.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could vary from those estimates used.

Accounts Receivable

Accounts receivable consist of trade receivables recorded at original invoice amounts less an estimated allowance for uncollectible accounts. Trade credit is generally extended on a short-term basis; thus trade receivables do not bear interest, although a finance charge may be applied to receivables that are past due. Trade receivables are periodically evaluated for collectability based on past credit histories with customers and their current financial conditions. Changes in the estimated collectability of trade receivables are recorded in the results of operations for the period in which the estimates are revised. Trade receivables that are deemed uncollectible are offset against the allowance for uncollectible accounts. The Company generally does not require collateral for trade receivables.

Inventories

Inventories are valued at the lower of cost (first-in, first-out method) or market.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation and amortization. The Partnership provides for depreciation and amortization using the straight-line method over the following estimated useful lives of three to fifteen years.

Maintenance and repairs are charged to operating expense as incurred. When assets are retired or disposed of, the cost and the related accumulated depreciation are reversed from the accounts, and any gain or loss is reflected in current operations.

Revenue Recognition

The Company records revenue when a product is shipped and title and risk of loss passes to the customer.

Shipping and Handling

Amounts billed to customers in a sale transaction related to shipping and handling are included in revenue.

ROYCE INTERNATIONAL, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

Note 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Income Taxes

For federal and state purposes, the Company is a partnership and, as such, the income taxes are the responsibility of the respective members. The Company accounts for uncertainties in income taxes, which requires that a tax position be recognized or derecognized based on a "more-likely-than-not" threshold. This applies to positions taken or expected to be taken in a tax return. The Company's financial statements do not include the effects of any uncertain tax positions at December 31, 2016.

The Company files income tax returns in the U.S. Federal jurisdiction and various states. Federal income tax returns for tax years 2013 and beyond remain subject to examination by the Internal Revenue Service.

Equity Method

The Partnership uses the equity method of accounting for its partnership investment. This partnership investment is under common control and can be significantly influenced through common management. Under the equity method, investments are carried at cost and increased or decreased by the Partnership's pro-rata share of earnings or losses. The carrying costs of these investments are also increased or decreased to reflect additional contributions or withdrawals of capital. Any difference in the book equity and the Partnership's pro-rata share of the net assets of the investment will be reported as gain or loss at the liquidation of the investment. Losses in excess of the investment are recorded when the Partnership is committed to provide additional financial support to the partnership.

The fair value of the partnership investment is not disclosed because it is not practical for the Partnership to estimate the fair value of this privately-held entity. There are no events or changes in circumstances that may have a significant adverse effect on the fair value of the investment.

Note 2 - LINE OF CREDIT

On June 8, 2016, the Company entered into a revolving line of credit with Wells Fargo Bank, NA. The line expires on June 1, 2018, with a limit not to exceed \$5,000,000. The outstanding balance will bear interest at a rate of 1.70% over the daily one month LIBOR rate. This line is collateralized by all the accounts receivable, inventory and equipment of the Company and is also subject to financial covenants and limitations as set forth in the loan agreement. At December 31, 2016, the available balance for additional borrowings totaled \$3,610,500.

Note 3 - COMMITMENTS AND CONTINGENCIES

The Company moved its office to Sarasota, Florida and entered into a lease agreement that extends through November 14, 2018. Included in rent expense is \$23,968 for 2016.

On August 1, 2012, the Company entered into an operating lease with a related company. The term of the lease is 10 years and monthly rent is \$1,735 through July 2022 increasing annually by the consumer price index. Included in rent expense is \$20,986 for 2016.

The future minimum rental payments are as follows:

2017	\$ 46,408
2018	45,583
2019	21,433
2020	21,433
2021	21,433
Thereafter	<u>12,503</u>
	<u>\$ 168,793</u>

ROYCE INTERNATIONAL, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

Note 4 - RELATED PARTY

The Company collects a management fee from RP International, LLC for processing its transactions. The related management fee collected by the Company for 2016 was \$24,912 and is included in other income for the year ended December 31, 2016.

The Company paid rent to a related party of \$13,500 as of December 31, 2016.

Note 5 - INVESTMENT INCOME

Investment income for the year ended December 31, 2016 consists of the following from RP International, LLC:

Management fee	\$ 24,912
Net income	<u>277,091</u>
	<u>\$ 302,003</u>

Note 6 - MAJOR SUPPLIERS

The Company has two suppliers who provided approximately 37% of its products during 2016.

Note 7 - RETIREMENT PLAN

The Company has instituted a 401(k) retirement plan covering salaried employees who have attained age 21 and completed one year of service. Salary deferral contributions range from 1% to 18% percent of eligible compensation up to the statutory limit. The Company will match \$.25 for each \$1 of each salary deferral contribution to a maximum of 1% of compensation. After three years of service, the participants are fully vested. The Company's contribution for 2016 totaled \$1,777.

Note 8 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 31, 2017, which is the date the financial statements were available to be issued.

Royce International
Parent Company : Royce International (Consolidated)
AS Balance Sheet by month
End of Dec 2017

	Amount (As of Jan 2017)	Amount (As of Feb 2017)	Amount (As of Mar 2017)	Amount (As of Apr 2017)	Amount (As of May 2017)	Amount (As of Jun 2017)	Amount (As of Jul 2017)	Amount (As of Aug 2017)	Amount (As of Sep 2017)	Amount (As of Oct 2017)	Amount (As of Nov 2017)	Amount (As of Dec 2017)
Options: Activity Only												
Financial Row												
ASSETS												
Current Assets												
Bank												
11003 - CASH WELLS FARGO (N)	\$954,271.95	\$929,025.63	\$279,493.60	\$390,556.83	\$862,487.30	\$212,267.14	\$718,188.40	\$399,594.03	\$331,136.41	\$791,095.24	\$714,276.81	\$488,788.79
11005 - CASH WELLS FARGO (I) (LC)	\$1,747,687.39	\$0.00	\$0.00	\$0.00	\$0.00	\$1,747,687.39	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$88,119.75
Total Bank	\$3,701,959.34	\$929,025.63	\$279,493.60	\$390,556.83	\$862,487.30	\$1,959,954.54	\$662,410.12	\$399,594.03	\$331,136.41	\$791,095.24	\$714,276.81	\$576,908.54
Accounts Receivable												
11100 - Accounts Receivable	\$1,812,125.62	\$2,418,188.42	\$2,586,018.82	\$2,447,692.10	\$2,841,815.45	\$3,377,390.24	\$3,387,925.48	\$4,303,663.37	\$4,338,557.23	\$3,463,130.31	\$4,494,494.19	\$4,619,206.37
11120 - Allowance for Bad Debt	\$11,286,640	\$11,286,640	\$11,066,640	\$11,066,640	\$11,066,640	\$11,066,640	\$11,066,640	\$11,066,640	\$11,066,640	\$11,066,640	\$11,066,640	\$11,066,640
Total Accounts Receivable	\$11,174,985.62	\$12,704,828.82	\$12,653,378.82	\$12,533,258.20	\$12,908,451.85	\$14,444,026.88	\$14,454,851.92	\$15,370,329.77	\$15,405,123.83	\$12,529,260.61	\$15,560,988.38	\$15,685,412.77
Other Current Asset												
11150 - CLEARING OR SUSPENSE ACCOUNT	\$26,368.38	\$26,368.38	\$26,368.38	\$26,368.38	\$26,368.38	\$26,368.38	\$26,368.38	\$26,368.38	\$26,368.38	\$26,368.38	\$26,368.38	\$26,368.38
11160 - LANDED COST	\$18,408.61	\$96,361.37	\$19,065.90	\$11,271.78	\$15,684.45	\$19,560.45	\$29,979.82	\$8,880.48	\$39,427.76	\$5,669.98	\$29,851.04	\$34,886.72
11300 - INVENTORY-RAW MATERIAL	\$5,213,497.72	\$5,196,689.70	\$5,074,536.31	\$5,198,378.80	\$4,991,985.47	\$4,981,985.47	\$5,397,558.57	\$6,519,329.61	\$6,096,024.79	\$6,694,726.13	\$7,886,329.75	\$7,365,329.75
11301 - INVENTORY-CLEARING	\$46,789.35	\$80,409.60	\$49,336.66	\$50,246.38	\$50,352.01	\$53,762.02	\$96,731.46	\$87,556.67	\$86,637.48	\$53,184.94	\$54,478.41	\$54,478.41
13110 - PFD EXPENSE	\$11,526.67	\$11,526.67	\$11,526.67	\$14,888.67	\$12,886.67	\$12,886.67	\$12,886.67	\$12,886.67	\$15,841.70	\$17,716.67	\$17,716.67	\$12,776.67
Undeposited Funds	\$3,896.34	\$2,066.76	\$0.00	\$0.00	\$4,400.05	\$0.00	\$0.00	\$7,926.4	\$0.00	\$10,112	\$0.00	\$16,247.5
Inventory in Transit	\$127,101.57	\$10,246.99	\$131,207.11	\$4,045.28	\$95,626.62	\$58,508.87	\$52,680.96	\$6,766	\$122,088.82	\$195,995.58	\$6,977.94	\$124,746.62
Payroll Receivable	\$21,180.64	\$55,201.52	\$0.00	\$0.00	\$0.00	\$16,675.70	\$55,703.28	\$0.00	\$0.00	\$13,676.94	\$0.00	\$9,071.05
Total Other Current Asset	\$5,348,194.76	\$5,380,691.53	\$5,212,768.15	\$5,241,652.04	\$5,082,648.24	\$5,130,535.44	\$5,612,874.30	\$6,618,648.88	\$7,259,788.09	\$7,359,788.09	\$7,911,878.57	\$7,585,867.46
Total Current Assets	\$7,470,855.64	\$8,186,904.38	\$7,969,840.97	\$7,996,840.97	\$8,171,709.99	\$8,588,467.12	\$9,552,288.30	\$11,150,682.88	\$11,299,816.16	\$11,403,692.24	\$11,340,238.17	\$10,546,488.17
Fixed Assets												
15010 - OFFICE EQUIPMENT	\$15,143.65	\$15,143.65	\$15,143.65	\$15,143.65	\$15,143.65	\$15,143.65	\$15,143.65	\$15,143.65	\$15,143.65	\$15,143.65	\$15,143.65	\$15,143.65
16010 - ACCUM DEP- OFFICE EQUIPMENT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Fixed Assets	\$15,143.65	\$15,143.65	\$15,143.65	\$15,143.65	\$15,143.65	\$15,143.65	\$15,143.65	\$15,143.65	\$15,143.65	\$15,143.65	\$15,143.65	\$15,143.65
Other Assets												
14000 - INVEST IN P INT LLC	\$632,044.00	\$497,044.00	\$497,044.00	\$497,044.00	\$497,044.00	\$497,044.00	\$497,044.00	\$497,044.00	\$497,044.00	\$497,044.00	\$497,044.00	\$497,044.00
Total Other Assets	\$632,044.00	\$497,044.00	\$497,044.00	\$497,044.00	\$497,044.00	\$497,044.00	\$497,044.00	\$497,044.00	\$497,044.00	\$497,044.00	\$497,044.00	\$497,044.00
Total Assets	\$8,107,955.64	\$8,693,948.38	\$8,476,885.97	\$8,493,885.97	\$8,673,954.99	\$9,085,511.12	\$9,599,382.30	\$11,658,419.10	\$11,707,183.44	\$11,910,435.92	\$11,790,509.45	\$11,132,228.17
LIABILITIES & EQUITY												
Current Liabilities												
Accounts Payable	\$11,355,287.55	\$1,827,601.70	\$1,704,721.90	\$1,478,054.87	\$1,507,884.25	\$2,387,111.87	\$2,384,497.05	\$2,712,917.06	\$2,726,276.47	\$2,459,492.80	\$1,960,588.93	\$2,027,627.08
20000 - AP-ACCOUNTS PAYABLE	\$11,355,287.55	\$1,827,601.70	\$1,704,721.90	\$1,478,054.87	\$1,507,884.25	\$2,387,111.87	\$2,384,497.05	\$2,712,917.06	\$2,726,276.47	\$2,459,492.80	\$1,960,588.93	\$2,027,627.08
Other Current Liability	\$242,213.64	\$190,626.83	\$110,414.36	\$95,831.03	\$105,938.30	\$658,598.60	\$662,796.48	\$663,926.88	\$1,137,599.45	\$1,137,602.80	\$1,164,452.64	\$641,837.69
20010 - CONTINGENT LIABILITIES	\$242,213.64	\$190,626.83	\$110,414.36	\$95,831.03	\$105,938.30	\$658,598.60	\$662,796.48	\$663,926.88	\$1,137,599.45	\$1,137,602.80	\$1,164,452.64	\$641,837.69
20020 - Canada GST / GST	\$88,116.59	\$89,467.23	\$62,381.88	\$72,966.67	\$86,510.41	\$83,667.66	\$97,763.92	\$110,241.14	\$109,548.27	\$111,201.36	\$112,673.14	\$112,673.14
20020 - Duty Refunds	\$58,816.09	\$58,816.09	\$58,816.09	\$58,816.09	\$58,816.09	\$58,816.09	\$58,816.09	\$58,816.09	\$58,816.09	\$58,816.09	\$58,816.09	\$58,816.09
22005 - Payroll	\$2,429.20	\$2,429.20	\$2,429.20	\$2,429.20	\$2,429.20	\$2,429.20	\$2,429.20	\$2,429.20	\$2,429.20	\$2,429.20	\$2,429.20	\$2,429.20
22005 - Payroll - Insurance Premiums	\$7,424.94	\$7,424.94	\$7,424.94	\$7,424.94	\$7,424.94	\$7,424.94	\$7,424.94	\$7,424.94	\$7,424.94	\$7,424.94	\$7,424.94	\$7,424.94
22006 - ACCRUED BONUSES	\$161,693.10	\$185,487.26	\$141,504.81	\$124,311.89	\$76,684.74	\$61,907.61	\$49,929.33	\$191,500.64	\$88,020.70	\$275,608.20	\$106,902.80	\$67,608.20
22006 - Accrued Management Fees	\$1,282.75	\$1,282.75	\$1,282.75	\$1,282.75	\$1,282.75	\$1,282.75	\$1,282.75	\$1,282.75	\$1,282.75	\$1,282.75	\$1,282.75	\$1,282.75
22006 - ACCRUED COMMISSIONS	\$16,990.86	\$17,582.68	\$21,083.67	\$18,257.09	\$29,320.93	\$15,191.19	\$21,568.83	\$22,940.66	\$20,318.07	\$20,719.97	\$18,320.98	\$18,441.25
22005 - Payroll Taxes - RI	\$2,214.32	\$2,214.32	\$2,214.32	\$2,214.32	\$2,214.32	\$2,214.32	\$2,214.32	\$2,214.32	\$2,214.32	\$2,214.32	\$2,214.32	\$2,214.32
22005 - Employer Contributions - RI	\$2,240.72	\$2,240.72	\$2,240.72	\$2,240.72	\$2,240.72	\$2,240.72	\$2,240.72	\$2,240.72	\$2,240.72	\$2,240.72	\$2,240.72	\$2,240.72
Inventory Received Not Billed	\$3,658,937.55	\$1,286,527.75	\$5,128,528.25	\$9,291,202.05	\$1,128,585.81	\$1,286,528.18	\$2,582,255.32	\$1,816,255.32	\$3,582,255.32	\$1,286,528.18	\$1,286,528.18	\$1,286,528.18
Customer Deposits	\$186,150.76	\$215,666.13	\$40,967.60	\$42,967.60	\$43,137.76	\$42,967.60	\$42,967.60	\$42,967.60	\$42,967.60	\$42,967.60	\$42,967.60	\$42,967.60
Total Other Current Liability	\$3,658,937.55	\$1,286,527.75	\$5,128,528.25	\$9,291,202.05	\$1,128,585.81	\$1,286,528.18	\$2,582,255.32	\$1,816,255.32	\$3,582,255.32	\$1,286,528.18	\$1,286,528.18	\$1,286,528.18
Total Current Liabilities	\$818,552.99	\$1,469,018.09	\$1,248,066.65	\$990,199.27	\$800,818.27	\$1,351,645.85	\$1,381,761.43	\$1,891,370.69	\$2,226,096.96	\$2,104,135.14	\$2,274,528.16	\$1,812,935.58
Long Term Liabilities												
25000 - NOTE-PAYABLE WELLS FARGO	\$1,139,500.00	\$739,500.00	\$489,500.00	\$739,500.00	\$839,500.00	\$1,039,500.00	\$1,689,500.00	\$2,439,500.00	\$2,439,500.00	\$2,439,500.00	\$2,439,500.00	\$1,539,500.00
Total Long Term Liabilities	\$1,139,500.00	\$739,500.00	\$489,500.00	\$739,500.00	\$839,500.00	\$1,039,500.00	\$1,689,500.00	\$2,439,500.00	\$2,439,500.00	\$2,439,500.00	\$2,439,500.00	\$1,539,500.00
Equity												
30000 - Albert J Royce III	\$1,703,598.05	\$1,703,598.05	\$1,703,598.05	\$1,703,598.05	\$1,703,598.05	\$1,883,100.71	\$1,883,100.71	\$1,883,100.71	\$1,883,100.71	\$1,883,100.71	\$1,883,100.71	\$1,883,100.71
30020 - Howard Mand	\$1,703,600.17	\$1,703,600.17	\$1,703,600.17	\$1,703,600.17	\$1,703,600.17	\$1,883,100.83	\$1,883,102.83	\$1,883,100.71	\$1,883,102.83	\$1,883,100.71	\$1,883,102.83	\$1,883,100.71
30030 - Willie Royce	\$1,703,598.08	\$1,703,598.08	\$1,703,598.08	\$1,703,598.08	\$1,703,598.08	\$1,883,100.74	\$1,883,100.74	\$1,883,100.74	\$1,883,100.74	\$1,883,100.74	\$1,883,100.74	\$1,883,100.74
30040 - Victor Villarica	\$305,345.19	\$305,345.19	\$305,345.19	\$305,345.19	\$305,345.19	\$337,411.45	\$337,411.45	\$337,411.45	\$337,411.45	\$337,411.45	\$337,411.45	\$337,411.45
Total Equity	\$5,416,141.49	\$5,416,141.49	\$5,416,141.49	\$5,416,141.49	\$5,416,141.49	\$5,986,715.73	\$5,986,715.73	\$5,986,715.73	\$5,986,715.73	\$5,986,715.73	\$5,986,715.73	\$5,986,715.73
Retained Earnings	\$570,574.24	\$570,574.24	\$570,574.24	\$570,574.24	\$570,574.24	\$617,649.54	\$901,375.34	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Net Income	\$158,133.22	\$388,714.76	\$646,022.19	\$686,469.92	\$991,780.99	\$617,649.54	\$6,888,091.07	\$1,240,460.74	\$7,041,586.48	\$1,240,460.74	\$7,486,067.29	\$7,870,802.59
Total Equity	\$6,144,847.05	\$6,514,847.05	\$6,370,304.57	\$6,401,884.97	\$6,578,814.99	\$8,995,511.12	\$9,959,382.50	\$11,538,050.16	\$11,707,183.44	\$11,910,435.92	\$11,790,509.45	\$11,322,238.17
Total LIABILITIES & EQUITY	\$8,107,955.64	\$8,693,948.38	\$8,476,885.97	\$8,493,885.97	\$8,673,954.99	\$9,085,511.12	\$9,599,382.30	\$11,658,419.10	\$11,707,183.44	\$11,910,435.92	\$11,790,509.45	\$11,132,228.17

Section 2.6(c)

Accounts Receivable

One of the Company's customers purchases a large quantity of its requirement for Company product in a single order. The customer pays in full at the time of placing the order, and the Company designates to customer the inventory that the customer has bought, and takes it off of its books. However, the product inventory stays in the Company's warehouse until the customer needs it over the next three to four months. The Company records this sale in the month the customer places the order and makes the payment.

Section 2.6(e)

Refund of Duties

The Company is entitled to a refund of duties previously paid to Governmental Authorities following the expiration of the Generalized System of Preferences on December 31, 2017 in the amount of \$54,203.58.

Section 2.7

Indebtedness

None.

Section 2.8

Absence of Certain Changes

(a)

None.

(b)

None.

(c)

None.

(d)

None.

(e)

None.

(f)

None.

(g)

None.

(h)

None.

(i)

None.

(j)

None.

(k)

None.

(l)

None.

(m)

1. Hotbox sold from RP International to Palmer International, Inc., in the amount of \$22,980.84 as of March 2018.

2. Director's Fees paid in the aggregate amount of \$60,000.00 for the time period beginning January 1, 2017 through December 31, 2017.

3. Management Fees paid in the aggregate amount of \$1,114,000.00 for the period beginning January 1, 2017 through December 31, 2017.

(n)

None.

(o)

None.

(p)

None.

(q)

None.

(r)

None.

(s)

None.

(t)

1. The Company has discontinued any and all operations in connection with its storing product at a Canadian public warehousing facility.

(u)

None.

(v)

None.

Section 2.10(a)

Compliance with Laws and Regulations; Permits

1. Certificate of Conversion for “Other Business Entity” Into Florida Limited Liability Company, filed with the Florida Secretary of State as of June 18, 2012.
2. Articles of Organization, Royce International, LLC, effective as of June 30, 2012.
3. Royce International, LLC, Form SS-4 – Employer Identification Number (EIN), assigned as of July 5, 2012.
4. RP International, LLC, Form SS-4 – Employer Identification Number (EIN).
5. Canada Revenue Agency Act Filing No. 81237-1532. There is no underlying license or permit associated with the foregoing.
6. Certificate of Registration of Quality Management System (issued by ISOQAR, Inc.), Royce International, LLC, Certificate No.: 11058QMS001, issued as of May 21, 2017.

Section 2.11(a)

Tax Matters

Victor Villafranca was audited for tax periods 2012 and 2013. A settlement in the amount of \$45,331.11 was assessed. Victor Villafranca is making monthly payments in the amount of \$1,300.00 per month. The Company has no ongoing liabilities relating to these payments.

Section 2.12

Environmental Matters

None.

Section 2.13(a)

Intellectual Property

1. Registered Trademark: RoyOxy
Reg. No.: 4,102,990
Registered: February 21, 2012
Registrant: Royce International Corp.
2. Domain Name: www.royceintl.com, owned and registered by Royce International, LLC.
3. All product formulations and processes are in a secure folder in Royce International, LLC's ERP. Access to such folder will be granted after closing.

Section 2.14

Real Property

1. Lease Agreement, dated as of July 31, 2012, by and between Peachview Acquisitions, LLC and Royce International, LLC for certain real property situated at 41 Peachview Blvd., Gaffney, South Carolina 29341. This lease is being terminated at closing.
2. Lease Agreement, dated as of November 15, 2011, by and between Sun Siesta LLC and Royce International Corp., for certain real property situated at 3400 South Tamiami Trail, Sarasota, Florida 34239.
3. Warehouse Agreement, dated as of January 1, 2017, by and between Royce International, LLC and Brook Warehousing Corporation.
4. Warehouse Agreement, dated as of February 11, 2013, by and between Royce International Corporation and International Distribution Corporation.
5. Warehouse Agreement, dated as of September 23, 2016, by and between Royce International, LLC and the Opportunity Center, 730 North State Street, Prairie du Chien, WI 53821.
6. Warehouse Agreement, dated as of December 1, 2016, by and between Royce International Corporation and Schafer Logistics, Inc.
7. Royce International, LLC stocks epoxy resins, curing agents, diluents and additives at the following warehouse locations (there are no warehousing agreements in place for such storage):
 - Michigan Toller: Springfield Industries, LLC, 609 Folk Court, Imlay City, MI 48444
 - New Jersey Warehouse: RV Tech Inc., 801 Magnolia Ave., Bldg. 38, Elizabeth, NJ 07201

Section 2.15

Litigation

1. Royce International, LLC ("Plaintiff") v. Corvixx Polymers Corporation ("Defendant"), Case No. 2017-L-001096. Corvixx Polymers Corporation filed Answer and Counterclaims, as of September 8, 2017, in the Circuit Court of Cook County, Illinois, alleging breach of contract and various product warranties following receipt and acceptance of goods. Plaintiff's original complaint brought claims to collect on past due invoices in the total amount of \$40,078.60. The Company carried accounts receivable insurance on Defendant's accounts with Coface (the "Insurer"). The Insurer paid Plaintiff for a claim in the amount of \$36,000. Plaintiff wrote off its deductible of \$4,078.60. The Insurer is suing Defendant to collect the remaining balance. The Company believes that the likelihood of success is very high. To the knowledge of the Company, there is no basis for further liability on the part of the Company with respect to the foregoing legal action.

2. Royce International, LLC was a named creditor in a customer's (DJ Simpson Coating Company) Chapter 11 bankruptcy petition, which was entered January 23, 2015. Royce International, LLC wrote off \$9,125.60 in bad debt. The Company has no ongoing liabilities relating to this bankruptcy.

Section 2.16(a)

Employee Benefits

1. Manopco, Inc. 401(k) Plan, administered by Empower Retirement. Royce International, LLC has adopted the Manopco, Inc. 401(k) Plan as a participating employer.
2. Royce International, LLC Group Health Insurance Plan, insured by Blue Cross and Blue Shield of Florida.
3. Royce International, LLC Group Life, Dental and Vision Coverage, insured by the Guardian Life Insurance Company.
4. Workers Compensation and Employers Liability Policy
Insurer: Travelers Companies, Inc.
Insured: Royce International, LLC
Policy No.: IHUB-4550T77-0-0-18
5. Royce International, LLC's vacation, personal and sick leave policy is based on the following:

Vacation Policy

One (1) year of service: one (1) week vacation.
Three (3) years of service: two (2) weeks vacation.
Eight (8) years of service: three (3) weeks vacation.
Fifteen years of service: four (4) weeks vacation.

- (3) If an employee joins between January 1 and June 30, such employee is entitled to three days of vacation in their first year. If an employee joins after July 1, 2013, such employee is not entitled to any vacation time in first year. All vacation time renews on January 1 of each calendar year.

Employees are entitled to ten (10) paid holidays per calendar year.

Sick Leave

Employees are entitled to three (3) days of sick time per calendar year.

Personal Leave

Employees are entitled to two (2) days of "personal leave" per calendar year.

6. Commission Plan, by and between Royce International, LLC and Victor Villafranca.
7. Commission Plan, by and between Royce International, LLC and Brian Macrae.

8. Commission Plan, by and between Royce International, LLC and Casey Yniguez.
9. Bonus Plan, by and between Royce International, LLC and Victor Villafranca.
10. Bonus Plan, by and between Royce International, LLC and Vipul Joshi.
11. Bonus Plan, by and between Royce International, LLC and Dr. Frank Cheng.
12. Annual discretionary bonus applicable to the following employees: Alynda Burelle, David Lewis, Steve Shuman and Chelcie Marsham.

Section 2.16(e)

Multiple Employer Plans

None.

Section 2.17

Insurance

Policies

1. Shea Bond No.: 150630027
 C.A. Shea & Company, Inc.
 Surety: Western Surety Company
 Effective Date: July 26, 2015
 Amount: \$70,000.00

2. Worldrisk Foreign Commercial Coverage
 Insurer: American International Group, Inc. (AIG)
 Insured: Royce Associates, ALP and Royce International, LLC
 Policy No.: WS11008403
 Policy Dates: March 13, 2017 – March 13, 2018

3. Workers Compensation and Employers Liability Policy
 Insurer: Travelers Companies, Inc.
 Insured: Royce International, LLC
 Policy No.: IHUB-4550T77-0-0-18
 Policy Dates: January 21, 2018 – January 21, 2019

4. Commercial Crime Policy
 Insurer: Ben Brown Insurance Agency, Inc.
 Insured: Royce International, LLC
 Policy No.: BDJ1848556
 Policy Dates: August 29, 2017 until cancelled.

5. Multi-Markets Business Credit Insurance Policy
 Insurer: Euler Hermes North America
 Insured: Royce International, LLC
 Policy No.: 5092578
 Policy Dates: March 31, 2017 – March 31, 2018

6. Commercial Umbrella Liability Policy
 Insurer: Zurich Insurance Group, Ltd.
 Insured: Royce International, LLC
 Policy No.: AUC 0112315-02
 Policy Dates: March 13, 2017 – March 13, 2018

7. Commercial Property/Cargo Policy
 Insurer: Ben Brown Insurance Agency, Inc.
 Insured: Royce International, LLC
 Policy No.: JY975017H
 Policy Dates: July 1, 2017 – July 1, 2018

8. Commercial General Liability Policy
 Insurer: AIG
 Insured: Royce International, LLC
 Policy No.: 41710677
 Policy Dates: March 13, 2017 – March 13, 2018

9. Health Insurance Coverage, administered by Blue Cross and Blue Shield of Florida, provided through Royce International, LLC 2018 Benefits Plan.

10. Life, Dental and Vision Coverage, administered through the Guardian Life Insurance Company, provided through Royce International, LLC 2018 Benefits Plan.

11. Property Insurance Coverage, issued through Besso Insurance Group Limited.

Claims

12. Claim filed against Commercial Crime policy as of 2013. Claim was filed in connection with embezzlement by accounting staff member in the amount of \$314,332.44. Claim was covered in full, and the Company has no ongoing obligations relating to this claim.

Section 2.18

Material Contracts

(a)

(i)

None.

(ii)

None.

(iii)

1. Below is a list of the Company's outstanding sales orders and purchase orders over \$50,000.00 in value. The sales orders and purchase orders below are either (i) on the same form of invoice or purchase order provided to the Purchaser, or (ii) are on third party forms that do not contain material legal terms and conditions:

Outstanding Sales Orders and Purchase Orders over \$50,000				
Date	Period	Type	Document Number	Amount
12/4/17	Dec 2017	Sales Order	RI12914	56,400.00
1/23/18	Jan 2018	Sales Order	RI13185	63,250.88
2/23/18	Feb 2018	Sales Order	RI13446	64,400.00
2/23/18	Feb 2018	Sales Order	RI13447	62,000.00
2/23/18	Feb 2018	Sales Order	RI13456	59,508.00
2/27/18	Feb 2018	Sales Order	RI13501	77,056.20
2/27/18	Feb 2018	Sales Order	RI13502	77,056.20
2/27/18	Feb 2018	Sales Order	RI13508	66,000.00
2/28/18	Feb 2018	Sales Order	RI13514	67,439.68
3/6/18	Mar 2018	Sales Order	RI13543	59,508.00
3/7/18	Mar 2018	Sales Order	RI13566	63,871.92
3/8/18	Mar 2018	Sales Order	RI13574	61,807.76
3/9/18	Mar 2018	Sales Order	RI13589	59,111.28
3/9/18	Mar 2018	Sales Order	RI13590	61,995.56
3/12/18	Mar 2018	Sales Order	RI13596	92,000.00
3/20/18	Mar 2018	Sales Order	RI13649	72,599.76
3/26/18	Mar 2018	Sales Order	RI13690	67,951.56
3/26/18	Mar 2018	Sales Order	RI13694	60,698.16
1/9/18	Jan 2018	Purchase Order	RI2019	55,005.00
1/22/18	Jan 2018	Purchase Order	RI2033	62,437.50
1/22/18	Jan 2018	Purchase Order	RI2036	127,200.00
1/22/18	Jan 2018	Purchase Order	RI2037	127,200.00
1/22/18	Jan 2018	Purchase Order	RI2038	145,565.00
1/25/18	Jan 2018	Purchase Order	RI2040	52,789.60
2/5/18	Feb 2018	Purchase Order	RI2045	220,576.00
2/6/18	Feb 2018	Purchase Order	RI2047	58,336.30
2/6/18	Feb 2018	Purchase Order	RI2048	58,307.00
2/6/18	Feb 2018	Purchase Order	RI2050	215,648.00
2/6/18	Feb 2018	Purchase Order	RI2051	55,084.00
2/8/18	Feb 2018	Purchase Order	RI2056	53,680.00
2/15/18	Feb 2018	Purchase Order	RI2058	58,600.00

2/22/18	Feb 2018	Purchase Order	RI2063	58,600.00
			RI2045-	
2/23/18	Feb 2018	Purchase Order	01	112,800.00
2/28/18	Feb 2018	Purchase Order	RI2067	56,050.00
2/28/18	Feb 2018	Purchase Order	RI2068	266,044.00
2/28/18	Feb 2018	Purchase Order	RI2069	216,585.60
2/28/18	Feb 2018	Purchase Order	RI2070	479,348.00
2/28/18	Feb 2018	Purchase Order	RI2071	52,036.80
2/28/18	Feb 2018	Purchase Order	RI2072	52,740.00
3/6/18	Mar 2018	Purchase Order	RI2075	52,740.00
3/9/18	Mar 2018	Purchase Order	RI2079	68,235.84
3/12/18	Mar 2018	Purchase Order	RI2080	58,600.00
3/12/18	Mar 2018	Purchase Order	RI2081	58,600.00
3/12/18	Mar 2018	Purchase Order	RI2082	58,600.00
3/13/18	Mar 2018	Purchase Order	RI2083	50,155.30
3/20/18	Mar 2018	Purchase Order	RI2086	62,240.00
3/27/18	Mar 2018	Purchase Order	RI2100	65,670.00

(iv)

None.

(v)

1. Employment Agreement, by and between Royce International, LLC and Alynda Burelle.
2. Employment Agreement, by and between Royce International, LLC and David Lewis.
3. Employment Agreement, by and between Royce International, LLC and Brian Macrae.
4. Employment Agreement, by and between Royce International, LLC and Casey Yniguez.
5. Employment Agreement, by and between Royce International, LLC and Chelcie Marsham.
6. Employment Agreement, by and between Royce International, LLC and Steve Shuman.
7. Employment Agreement, by and between Royce International, LLC and Victor Villafranca.
8. Employment Agreement, by and between Royce International, LLC and Vipul Joshi.
9. Consulting Agreement, by and between Royce International, LLC and Dr. Frank Cheng.
10. Consulting Agreement, by and between Royce International, LLC and Dr. Hubert Monteiro.
11. Consulting Agreement, by and between Royce International, LLC and Greg Tzap.

(vi)

None.

(vii)

None.

(viii)

None.

(ix)

None.

(x)

1. Operating Agreement of RP International, LLC, dated as of October 27, 2011, by and between the Company and Palmer International, Inc.

(xi)

None.

(xii)

1. Royce International, LLC is under written contract with a customer through December 31, 2018. The customer is afforded Most Favored Nation pricing as the customer is the largest buyer of the relevant product. The terms of the foregoing contract are subject to confidentiality restrictions.

(xiii)

None.

(xiv)

None.

(xv)

None.

(xvi)

1. Royce International, LLC is under contract to produce products for two customers, through which Royce International, LLC is using such customers' proprietary formulas. The foregoing formulas are each protected under applicable Non-Disclosure Agreements. Other than

as referenced in the two immediately preceding sentences, there are no other material terms governing the contractual relationship between the Company and either of these customers. The non-disclosure agreements between the Company and each of these parties contains customary confidentiality obligations and no other material terms. Other than the non-disclosure agreements disclosed above, there is no written documentation relating the Company's contracts with these customers, and all contracts between the Company and these customers are terminable by either party at any time with no liability to the Company for such termination.

(xvii)

None.

(xviii)

None.

(xix)

None.

(xx)

None.

(xxi)

None.

Section 2.18(b)

Consents

None.

Section 2.19

Employee Leave

None.

Section 2.20

Employee Matters

Employee Names, Position, Hire Date, Compensation and Bonus Eligibility:

	Full Time	Date Of Employment	City and State/Province	Current Annual Base Compensation Rate	Commission	Bonus	Job Function
Alynda Burelle	Yes	4/6/15	Sarasota/FL	40,000.00		Yes	Accounting
Brian MacRae	Yes	9/26/11	Sarasota/FL	45,000.00	Yes		Sales
David Lewis	Yes	1/30/14	Sarasota/FL	48,000.00	Yes		Purchasing
Chelcie Marsham	Yes	5/22/15	Sarasota/FL	35,000.00		Yes	Customer Service
Casey Yniguez	Yes	3/14/16	Sarasota/FL	48,000.00		Yes	Sales
Steve Shuman	Yes	1/3/17	Sarasota/FL	38,000.00		Yes	Inside Sales
Victor Villafranca	Yes	7/19/04	Bloomfield/NJ	90,000.00	Yes	Yes	Sales
Vipul Joshi	Yes	11/2/15	Macungie/PA Consultant 1	150,000.00		Yes	Marketing
Greg Tzap			Skipppack, PA Consutant 2	1152/Wk	No	No	Technical
Frank Cheng			Santa Clara, CA Consultant 3	3000/Mo	No	Yes	Technical
Hubert Monteiro			Huntsville, AL	1250/Mo		Yes	Technical

Commissions are based on sales and gross margins. Bonuses are on net profits

Changes in Compensation Since December 31, 2017

None.

Employee Handbooks or Personnel Manuals

None.

Section 2.21

Affiliate Transactions

1. Royce International, LLC has the following oral agreements in place with Royce Associates, ALP:
 - (i) Payment of \$1,730 per month in connection with employment of Phil Flor, a regulatory employee. There are no written agreements in place with respect to his employment.
 - (ii) Warehouse and space sharing expense arrangement relating to Gaffney, SC facility. There are no written agreements in place evidencing this arrangement.
2. Royce International, LLC has an oral agreement in place with a Palmer International, Inc. stockholder, Roberta Brody, in connection with use of Skippack, PA residential property. The Company has two consultants and other visiting employees who occasionally stay at this residential property. The Company pays Roberta Brody \$900 per month for use of this residential property, and there is no written lease for use of this building. This agreement is terminable by Royce International, LLC at any time with no liability to the Company for such termination.
3. Lease Agreement, dated as of July 31, 2012, by and between Peachview Acquisitions, LLC and Royce International, LLC for certain real property situated at 41 Peachview Blvd., Gaffney, South Carolina 29341. This lease is being terminated at closing.
4. Operating Agreement of RP International, LLC, dated as of October 27, 2011, by and between the Company and Palmer International, Inc.
5. RP International, LLC and Palmer International, Inc. are both listed on Section 2.23 below as material vendors to the Business.

Section 2.22

Brokerage

Advisory Agreement, dated as of October 31, 2017, by and between Royce International, LLC and Wells Fargo Clearing Services, LLC d/b/a Wells Fargo Advisors. The Company will pay all amounts due to Wells Fargo in connection with this broker agreement at closing.

Section 2.23

Suppliers and Customers

Top 10 Material Vendors

Vendor	Total FY 2016	Total FY 2017
1 Kumho	\$4,304,647.18	\$5,200,168.31
2 ATUL LIMITED	\$3,187,632.00	\$4,210,153.00
3 PALMER INTERNATIONAL, Inc. - (RI)	\$940,737.27	\$1,822,563.67
4 Aditya Birla	\$1,053,804.00	\$1,379,844.10
5 RP INTERNATIONAL, LLC	\$665,590.09	\$840,367.09
6 DELAMINE B.V.	\$294,990.00	\$794,726.07
7 Formosan Union Chemical Corporation	\$515,850.50	\$651,941.80
8 AVS Chemical	\$296,431.20	\$625,831.85
9 Hubei Greenhome Materials Technology, Inc.	\$366,938.10	\$493,966.40
10 D.R. COATS INK & RESINS PVT LTD	\$383,771.20	\$370,033.00

Top 10 Customers

Customer	FY 2016 Sales	FY 2017 Sales
1 E-Chem	\$1,424,283.50	\$2,323,510.28
2 3M (PARENT)	\$1,588,153.60	\$1,795,648.80
3 Berry Plastics (PARENT)	\$1,401,144.03	\$1,838,189.46
4 Specialty Polymer Coatings SPC	\$337,902.00	\$909,510.00
5 VON ROLL ISOLA - NY	\$959,522.06	\$901,786.45
6 NOV National Oilfield Varco (PARENT)	\$853,246.64	\$890,628.28
7 WARREN ENVIRONMENTAL INC.	\$585,545.18	\$759,162.88
8 WC Richards / TMS Manufacturing	\$462,160.11	\$540,835.16
9 INDUSTRIAL LAMINATES	\$476,819.20	\$498,912.95
10 Arkema (PARENT)	\$462,884.00	\$470,256.00

Material Changes to Supplier/Customers

None.

Section 2.24

Financial Accounts and Authority

1. Wells Fargo Bank, National Association: Royce International Act. No. 4121399976.
2. Wells Fargo Bank, National Association: RP International Act. No. 4121936132.
3. Names of authorized account signatories for each of the above accounts: Harvinder Anand, Albert J. Royce III, Wylie Royce.

Section 2.25

Warranties and Certifications; Product Liability

Royce International, LLC's standard customer invoices include the following warranties:

“THE CONDITIONS OF SALE RECITED HEREIN CONSTITUTE THE ENTIRE CONTRACT OF SALE AND PURCHASE OF THE PRODUCT DESCRIBED HEREIN AND SELLER SHALL NOT BE LIABLE FOR, OR BOUND IN ANY MANNER BY, ANY REPRESENTATIONS, GUARANTEES OR COMMITMENTS EXCEPT AS SPECIFICALLY PROVIDED HEREIN, NO MODIFICATION OF THIS CONTRACT SHALL BE OF ANY FORCE OR EFFECT UNLESS IN WRITING AND SIGNED BY THE PARTY CLAIMED TO BE BOUND THEREBY, AND NO MODIFICATION SHALL BE EFFECTED BY THE ACKNOWLEDGMENT OR ACCEPTANCE OF PURCHASE ORDER FORMS CONTAINING...”

“IN NO EVENT SHALL THE SELLER'S LIABILITY EXCEED THE PURCHASE PRICE OF THE MATERIAL AS TO WHICH A CLAIM IS MADE.”

“THERE ARE NO WARRANTIES, INCLUDING EXPRESS WARRANTIES, IMPLIED WARRANTIES OF MERCHANTABILITY OR IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR USE WHICH EXTEND BEYOND THE WRITTEN DESCRIPTION OF THE GOODS ON THE FACE HEREOF.”

Section 3.4

Title to Equity

See Section 2.4.

Section 3.7

Brokerage

Advisory Agreement, dated as of October 31, 2017, by and between Royce International, LLC and Wells Fargo Clearing Services, LLC d/b/a Wells Fargo Advisors. The Company will pay all amounts due to Wells Fargo in connection with this broker agreement at closing.