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

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)**
OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended August 31, 2013

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)**
OF THE SECURITIES EXCHANGE ACT OF 1934
For the Transition period from to
Commission File No. 1-11288

ACTUANT CORPORATION

(Exact name of Registrant as specified in its charter)

Wisconsin	**39-0168610**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

N86 W12500 WESTBROOK CROSSING
MENOMONEE FALLS, WISCONSIN 53051
Mailing address: P.O. Box 3241, Milwaukee, Wisconsin 53201
(Address of principal executive offices)
(262) 293-1500
(Registrant's telephone number, including area code)
Securities registered pursuant to Section 12(b) of the Act:

(Title of each class)	**(Name of each exchange on which registered)**
Class A Common Stock, par value $0.20 per share	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by checkmark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. **Yes** ☑ **No** ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15d of the Act. **Yes** ☐ **No** ☑

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. **Yes** ☑ **No** ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definition of "large accelerated filer," "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☒	**Accelerated filer**	☐
Non-accelerated filer	☐	**Smaller-reporting company**	☐
(do not check if a smaller reporting company)			

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.): **Yes** ☐ **No** ☒

There were 73,042,303 shares of the Registrant's Class A Common Stock outstanding as of September 30, 2013. The aggregate market value of the shares of Common Stock (based upon the closing price on the New York Stock Exchange on February 28, 2013) held by non-affiliates of the Registrant was approximately $2,186 million.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive Proxy Statement for the Annual Meeting of Shareholders to be held on January 14, 2014 are incorporated by reference into Part III hereof.

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Actuant Corporation provides free-of-charge access to our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all amendments thereto, through our website, www.actuant.com, as soon as reasonably practical after such reports are electronically filed with the Securities and Exchange Commission.

FORWARD LOOKING STATEMENTS AND CAUTIONARY FACTORS

This annual report on Form 10-K contains certain statements that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties. The terms "may," "should," "could," "anticipate," "believe," "estimate," "expect," "objective," "plan," "project" and similar expressions are intended to identify forward-looking statements. Such forward-looking statements are subject to inherent risks and uncertainties that may cause actual results or events to differ materially from those contemplated by such forward-looking statements. In addition to the assumptions and other factors referred to specifically in connection with such statements, factors that may cause actual results or events to differ materially from those contemplated by such forward-looking statements include, without limitation, general economic conditions and market conditions in the industrial, oil & gas, energy, power generation, infrastructure, commercial construction, truck, automotive, specialty vehicle and agriculture industries, market acceptance of existing and new products, successful integration of acquisitions and related restructuring, operating margin risk due to competitive pricing and operating efficiencies, supply chain risk, material, labor, or overhead cost increases, foreign currency risk, interest rate risk, commodity risk, the impact of geopolitical activity on the economy, the timing or strength of an economic recovery in the Company's markets, litigation matters, the Company's ability to access capital markets and other factors that may be referred to or noted in the Company's reports filed with the Securities and Exchange Commission from time to time. We disclaim any obligation to publicly update or revise any forward-looking statements as a result of new information, future events or any other reason.

When used herein, the terms "Actuant," "we," "us," "our," and the "Company" refer to Actuant Corporation and its subsidiaries.

PART I

Item 1. Business

General

Actuant Corporation, headquartered in Menomonee Falls, Wisconsin, is a Wisconsin corporation incorporated in 1910. We are a global diversified company that designs, manufactures and distributes a broad range of industrial products and systems to various end markets. The Company is organized into three operating and reportable segments as follows: Industrial, Energy and Engineered Solutions. The Industrial segment is primarily involved in the design, manufacture and distribution of branded hydraulic and mechanical tools to the maintenance, industrial, infrastructure and production automation markets. The Energy segment provides joint integrity products and services, customized offshore vessel mooring solutions, as well as rope and cable solutions to the global oil & gas, power generation and other energy markets. The Engineered Solutions segment provides highly engineered position and motion control systems to original equipment manufacturers ("OEM") in various on and off-highway vehicle markets, as well as, a variety of other products to the industrial and agricultural markets. Financial information related to the Company's reportable segments is included in Note 13, "Business Segment, Geographic and Customer Information" in the notes to the consolidated financial statements.

Our long-term goal is to grow annual diluted earnings per share ("EPS"), excluding unusual or non-recurring items, faster than most multi-industry peers. We intend to leverage our market positions to generate annual core sales growth (overall sales growth excluding the impact of acquisitions, divestitures and foreign currency rate changes) that exceeds the annual growth rates of the gross domestic product in the geographic regions in which we operate. In addition to core sales growth, we are focused on acquiring complementary businesses. Following an acquisition, we seek to drive cost reductions, develop additional cross-selling opportunities and deepen customer relationships. We also focus on profit margin expansion and cash flow generation to achieve our financial objectives. Our LEAD ("Lean Enterprise Across Disciplines") operational excellence process utilizes various continuous improvement techniques to reduce costs and improve efficiencies across all locations and functions worldwide, thereby expanding profit margins. Strong cash flow generation is achieved by maximizing returns on assets and minimizing primary working capital needs. Our LEAD efforts also support our Growth + Innovation ("G + I") initiative, a process focused on increasing core sales growth. The cash flow that results from efficient asset management and improved profitability is used to fund strategic acquisitions, treasury share repurchases and internal growth opportunities.

A significant portion of our growth has come from business acquisitions and this will continue to be an important part of our strategy in the future. For further information, see Note 2, "Acquisitions" in the notes to consolidated financial statements.

Description of Business Segments

Industrial

The Industrial segment is a leading global supplier of branded hydraulic and mechanical tools to a broad array of end markets, including general maintenance and repair, industrial, infrastructure and production automation. Its primary products include high-force hydraulic tools, highly engineered heavy lifting solutions, workholding (production automation) solutions and concrete stressing products. Our hydraulic and mechanical tools are marketed primarily through the Enerpac, Simplex, Precision Sure-Lock and Milwaukee Cylinder brand names.

Our high-force hydraulic and mechanical tools, including cylinders, pumps, valves, specialty tools and presses are designed to allow users to apply controlled force and motion to increase productivity, reduce labor costs and make work safer and easier to perform. These hydraulic tools operate at very high pressures of approximately 5,000 to 12,000 pounds per square inch and are generally sold by a diverse group of industrial and specialty fluid power distributors to customers in the infrastructure, mining, steel mill, cement, rail, oil & gas, power generation and general maintenance industries. Key industrial distributors include W.W. Grainger, Applied Industrial Technologies, MSC, Maskin K. Lund, Industrial Air Tool and Al Masaood Trading.

In addition to providing a comprehensive line of industrial tools, the segment also provides high-force hydraulic systems (integrated solutions) to meet customer specific requirements for safe and precise control of movement and positioning. These customized solutions, which combine hydraulics, steel fabrication and electronic controls with engineering and application knowledge, are typically utilized in major infrastructure projects (bridges, stadiums, tunnels and offshore platforms) for heavy lifting, launching & skidding or synchronous lifting applications.

The Industrial segment has leveraged production and engineering capabilities to also offer a broad range of workholding products (work supports, swing cylinders and system components) that are marketed through distributors to the automotive, machine tool and fixture design markets. In addition, the segment designs, manufactures and distributes concrete pre- and post-tensioning products (chucks and wedges, stressing jacks and anchors) which are used by concrete tensioning system designers, fabricators and installers for the residential and commercial construction, bridge, infrastructure and mining markets.

Energy

The Energy segment provides technical products and services to the global energy markets, where safety, reliability, up-time and productivity are key value drivers. Products include joint integrity tools and connectors for oil & gas and power generation installations, mooring solutions, as well as rope and cable solutions. In addition to these products, the Energy segment also provides manpower services, including machining, engineering and maintenance activities. The products and services of the Energy segment are distributed and marketed under various brand names (principally Hydratight, D.L. Ricci, Morgrip, Cortland, FibronBX, Puget Sound Rope, Biach, Selantic, Viking SeaTech and Jeyco) to OEMs, maintenance and service organizations and energy producers in emerging and developed countries.

Joint integrity products include hydraulic torque wrenches, bolt tensioners and portable machining equipment, which are either sold or rented to asset owners, service providers and end users. These products are used in the maintenance of bolted joints on oil rigs and platforms, wind turbines, refineries and pipelines, petrochemical installations, as well as fossil fuel and nuclear power plants to reduce customer downtime and provide increased safety and reliability. Hydratight also provides manpower services where our highly trained technicians perform bolting, machining and joint integrity work for customers. Our joint integrity business operates to world class safety standards while delivering products and services through a localized infrastructure of rental and maintenance depots. Service, product sales and rental revenue each generate approximately one-third of our joint integrity sales. This business maintains strong relationships with a variety of leading firms such as Statoil, Petrobras, Baker Hughes, Bechtel and Tig Tesco Intl.

The Energy segment also provides highly-engineered rope and cable solutions that maximize performance, safety and efficiency for customers in various markets including oil & gas, heavy marine, subsea, ROV and seismic. With its global design and manufacturing capabilities, the Cortland business is able to provide customized synthetic ropes, heavy lift slings, specialized mooring, rigging and towing systems, electro-optical-mechanical cables and umbilicals to customers, including leading firms such as Sercel, Expro, General Electric and Halliburton. These products are utilized in critical applications, often deployed in harsh operating conditions (sub-sea oil & gas production, maintenance and exploration) and are required to meet robust safety standards. Additional custom designed products are also sold into a variety of other niche markets including mining, medical, security, aerospace and defense.

The August 2013 acquisition of Viking SeaTech (“Viking”) further expands the Energy segment's geographic presence, technologies and services provided to the global energy market. Headquartered in Aberdeen, Scotland, Viking is an offshore support specialist providing a comprehensive range of equipment and services to the oil & gas industry. Viking serves

customers globally with primary markets in the North Sea (U.K. and Norway) and Australia. The majority of Viking's revenue is derived from offshore vessel mooring solutions which include design, rental, installation and inspection. Viking also provides survey, manpower and other marine services to offshore operators, drillers and energy asset owners.

Engineered Solutions

The Engineered Solutions segment is a leading global designer and assembler of customized position and motion control systems and other industrial products to various transportation and other niche markets. This segment focuses on providing technical and highly engineered products, including actuation systems, mechanical power transmission products, engine air flow management systems, human to machine interface ("HMI") solutions and other rugged electronic instrumentation. Products in the Engineered Solutions segment are primarily marketed directly to OEMs through a technical sales organization. Within this segment, engineering capabilities, technical service, quality and established customer relationships are key competitive advantages.

Approximately one-half of this segment’s revenue comes from the Vehicle Systems product line (Power-Packer, Gits and Power Gear brands), with sales to the truck, automotive, off-highway and specialty vehicle markets. Products include hydraulic cab-tilt and latching systems which are sold to global heavy duty truck OEMs such as Volvo, Iveco, Scania, Paccar-DAF, FAW and CNHTC and automotive electro-hydraulic convertible top latching and actuation systems. The automotive convertible top actuation systems are utilized on both retractable soft and hard top vehicles manufactured by OEMs such as Daimler, Volkswagen, Renault, Peugeot, BMW, Volvo and Nissan. Our diesel engine air flow solutions, such as exhaust gas recirculation (“EGR”) systems and air flow actuators, are used by diesel engine and turbocharger manufacturers to reduce emissions, improve fuel efficiency and increase horsepower. Primary end markets include heavy duty truck and off-highway equipment serving customers such as Caterpillar, Cummins, Honeywell and Borg Warner. We also sell actuation systems to various automotive and specialty vehicle customers (principally in the defense, recreational vehicle and off-highway markets) such as Honeywell, BorgWarner, Oshkosh and Fleetwood.

The broad range of products, technologies and engineered solutions of Weasler Engineering, maximatecc, Elliott Manufacturing and Sanlo comprise the Other product line within the segment. Products include severe-duty electronic instrumentation (including displays and clusters, machine controls and sensors), HMI solutions and power transmission products (highly engineered power transmission components including drive shafts, torque limiters, gearboxes, torsional dampers and flexible shafts). These products are sold to a variety of niche markets including agricultural implement, lawn & turf, construction, forestry, industrial, aerospace, material handling and security.

International Business

Our products and services are generally available globally, with our principal markets outside the United States being Europe and Asia. In fiscal2013 we derived approximately 43% of our net sales from the United States,38% from Europe and the Middle East, 14% from Asia and 5% from other areas. We have operations around the world and this geographic diversity allows us to draw on the skills of a global workforce, provides flexibility to our operations, allows us to drive economies of scale, provides revenue streams that may help offset economic trends that are specific to individual countries and offers us an opportunity to access new markets. In addition, we believe that our future growth depends, in part, on our ability to develop products and sales opportunities that successfully target developing countries. Although international operations are subject to certain risks, we continue to believe that a global presence is key to maintaining strong relationships with many of our global customers. Financial information related to the Company's geographic areas is included in Note 10, "Income Taxes" and Note 13, "Business Segment, Geographic and Customer Information" in the notes to the consolidated financial statements.

Product Development and Engineering

We conduct research and development activities to develop new products, enhance the functionality, effectiveness, ease of use and reliability of our existing products and expand the applications for our products. We believe that our engineering and research & development efforts have been key drivers of our success in the marketplace. Our advanced design and engineering capabilities contribute to the development of innovative and highly engineered products, maintain our technological leadership in each segment and enhance our ability to provide customers with unique and customized solutions and products. While much research and development activity supports improvements to existing products, our engineering staff engages in research for new products and product enhancements. We anticipate that we will continue to make significant expenditures for research and development as we seek to provide innovative products to maintain and improve our competitive position. Research and development costs are expensed as incurred, and were $21 million, $17 million and $12 million in fiscal 2013, 2012 and 2011, respectively. We also incur significant costs in connection with fulfilling custom orders and developing unique solutions for unique customer needs, which are not included in these research and development expense totals.

Through our advanced proprietary processes, with approximately 586 patents (excluding pending applications), we create products that satisfy specific customer needs and make tasks easier and more efficient for customers. No individual patent or trademark is believed to be of such importance that its termination would have a material adverse effect on our business.

Competition

The markets for all of our products are highly competitive. We provide a diverse and broad range of industrial products and systems to numerous global end markets, many of which are highly fragmented. Although we face larger competitors in several served markets, much of our competition is comprised of smaller companies that often lack the global footprint or financial resources to serve global customers. We compete for business principally on the basis of customer service, product quality and availability, engineering, research and development expertise, and price. In addition, we believe that our competitive cost structure, strategic global sourcing capabilities and global distribution support our competitive position.

Manufacturing and Operations

While we do have extensive manufacturing capabilities including machining, stamping, injection molding and fabrication, our manufacturing primarily consists of light assembly of components we source from a network of global suppliers. We have implemented single piece flow methodology in most of our manufacturing plants, which reduces inventory levels, lowers "re-work" costs and shortens lead times to customers. Components are built to our highly engineered specifications by a variety of suppliers, including those in low cost countries such as China, Turkey and Mexico. We have built strong relationships with our key suppliers and, while we single source certain of our components, in most cases there are several qualified alternative sources.

Raw Material Costs and Inflation

We source a wide variety of materials and components from a network of global suppliers. These items are typically available from numerous suppliers. Raw materials that go into the components we source, such as steel, plastic resin and copper, are subject to price fluctuations, which could have a negative impact on our results. We strive to offset such cost inflation with price increases to customers and by driving operational cost reductions.

No meaningful measures of inflation are available because we have significant operations in countries with diverse rates of inflation and currency rate movements. However, we believe that the overall rate of inflation in recent years has been relatively low and has not had a significant effect on our results of operations, after factoring in price increases and other manufacturing cost reductions.

Order Backlogs and Seasonality

Our Industrial and Energy segments have relatively short order-to-ship cycles, while our OEM oriented Engineered Solutions segment has a longer cycle, and therefore typically has a larger backlog. We had order backlogs of approximately $209 million at both August 31, 2013 and 2012, respectively. Substantially all orders are expected to be filled within twelve months. While we typically enjoy a stronger second half of our fiscal year, our consolidated sales in total are not subject to significant seasonal fluctuations.

Sales Percentages by Fiscal Quarter

	2013	2012
Quarter 1 (September-November)	24%	24%
Quarter 2 (December - February)	23%	24%
Quarter 3 (March - May)	27%	27%
Quarter 4 (June- August)	26%	25%
	100%	100%

Employees

At August 31, 2013, we employed approximately 6,700 individuals. Our employees are not subject to collective bargaining agreements, with the exception of approximately 365 U.S. production employees, as well as certain international employees covered by government mandated collective labor agreements. We believe we have a good working relationship with our employees.

Environmental Matters

Our operations, like those of most industrial businesses, are subject to federal, state, local and foreign laws and regulations relating to the protection of the environment, including those regulating discharges of hazardous materials into the air and water, the storage and disposal of such materials and the clean-up of soil and groundwater contamination. We believe that we are in substantial compliance with applicable environmental regulations. Compliance with these laws has and will require expenditures on an ongoing basis. However, environmental expenditures over the last three years have not been material. Soil and groundwater contamination has been identified at a few facilities that we operate or formerly owned or operated. We are also a party to certain state and local environmental matters, have provided environmental indemnifications for certain divested businesses, and retain responsibility for certain potential environmental liabilities. For further information, see Note 14, "Contingencies and Litigation" in the notes to consolidated financial statements.

Executive Officers of the Registrant

The names, ages and positions of all of the executive officers of the Company as of October 15, 2013 are listed below.

Name	Age	Position
Robert C. Arzbaecher	53	Chief Executive Officer; Chairman of the Board
William S. Blackmore	57	Executive Vice President—Engineered Solutions Segment
Gustav H.P. Boel	68	Executive Vice President; Director
Mark E. Goldstein	57	President; Director
Sheri R. Grissom	49	Executive Vice President—Global Human Resources
Brian K. Kobylinski	47	Executive Vice President—Industrial Segment and China
Andrew G. Lampereur	50	Executive Vice President and Chief Financial Officer
Sheri L. Roberts	47	Executive Vice President—Energy Segment
David L. Scheer	54	Executive Vice President—Electrical Segment
Theodore C. Wozniak	55	Executive Vice President—Business Development

Robert C. Arzbaecher, Chief Executive Officer and Chairman of the Board of Directors. Mr. Arzbaecher will continue in his role as Chairman of Board, but will step down as Chief Executive Officer of the Company at the January 2014 Annual Meeting, after having served as President and Chief Executive Officer of the Company since 2000. Prior to that, he served as Vice President and Chief Financial Officer of the Company starting in 1994 and Senior Vice President in 1998. He served as Vice President, Finance of Tools & Supplies from 1993 to 1994. He joined the Company in 1992 as Corporate Controller. From 1988 through 1991, Mr. Arzbaecher was employed by Grabill Aerospace Industries LTD, where he last held the position of Chief Financial Officer. Mr. Arzbaecher is also a director at CF Industries Holding, Inc. and Fiduciary Management, Inc. mutual funds.

William S. Blackmore, Executive Vice President—Engineered Solutions Segment. Mr. Blackmore has been the Executive Vice-President—Engineered Solutions Segment since fiscal year 2004. He joined the Company as leader of the Engineered Solutions-Americas business in fiscal year 2002. Prior to joining Actuant, he served as President of Integrated Systems—Americas at APW Ltd. from 2000 to 2001 and as President, Rexnord Gear and Coupling Products from 1997 to 2000. Prior to 1997, Mr. Blackmore held various general management positions at Rexnord and Pillar Industries.

Gustav H.P. Boel, Executive Vice President and member of the Board of Directors. Mr. Boel has been associated with the Company for over 30 years (in various executive roles) and has served as a member of the Board of Directors since 2000. In addition to his Board responsibilities, Mr. Boel currently oversees our LEAD initiatives. Mr. Boel has announced that he will retire from the Company and not stand for re-election to his Board of Directors role at the January 2014 Annual Meeting.

Mark E. Goldstein, President and member of the Board of Directors. Mr Goldstein was named President of the Company and added to the Board of Directors in August 2013, and will assume Chief Executive Officer responsibilities after the January 2014 Annual Meeting. Mr. Goldstein was Actuant's Chief Operating Officer since fiscal 2007. He joined the Company in fiscal 2001 as the leader of the Gardner Bender business and was appointed Executive Vice President—Tools and Supplies in 2003.

Prior to joining Actuant, he spent over 20 years in sales, marketing and operations management positions at The Stanley Works, most recently as President, Stanley Door Systems. Mr. Goldstein is also a director at Pall Corporation.

Sheri R. Grissom, Executive Vice President—Global Human Resources. Ms. Grissom joined Actuant in fiscal 2011, from Johnson Controls, where she was Vice President of Human Resources for the Service, Energy Solution and Global Workplace Solutions business. Prior to that, Ms. Grissom held human resource leadership positions with several leading global organizations including Johns Manville, McKechnie Group and General Electric. Ms. Grissom brings over 20 years of global human resources experience to Actuant.

Brian K. Kobylinski, Executive Vice President—Industrial Segment and China. Mr. Kobylinski joined the Company in 1993 and progressed through a number of management roles within the Electrical Segment. He became Vice President of Business Development for Actuant in 2002 and was named Global Business Leader, Hydratight in 2005. From 2007 to 2013, he was the Industrial and Energy Segment Leader and currently serves as the Industrial Segment Leader with responsibility for the Company's China operations. Prior to joining the Company, Mr. Kobylinski was employed by Fort Howard Corporation and Federated Insurance.

Andrew G. Lampereur, Executive Vice President and Chief Financial Officer. Mr. Lampereur joined the Company in 1993 as Corporate Controller, a position he held until 1996 when he was appointed Vice President of Finance for Gardner Bender. In 1998, Mr. Lampereur was appointed Vice President, General Manager for Gardner Bender. He was appointed to his present position in August 2000. Prior to joining the Company, Mr. Lampereur held a number of financial management positions at Terex Corporation. Mr. Lampereur was also a director of Robbins & Myers, Inc. from 2005 through 2013.

Sheri L. Roberts - Executive Vice President - Energy Segment. Ms. Roberts joined Actuant in 2013 from Tyco International where she was President, Tyco Valves & Controls, LP and Vice President & General Manager, Global Oil & Gas since 2010. Prior to Tyco, she spent over 20 years with Royal Dutch Shell in various roles of increasing responsibility, the most recent of which was General Manager, Americas for Shell Chemical Company. Ms. Roberts also served as CEO of Shell Mauritius, Ltd.

David L. Scheer, Executive Vice President—Electrical Segment. Mr. Scheer joined Actuant in his current role in fiscal 2011, bringing over 25 years of experience in retail and wholesale electrical businesses. Prior to joining Actuant, Mr. Scheer was Chief Operating Officer at GranQuartz and Sigma Electric Manufacturing from 2005 through 2010. Mr. Scheer also previously held various management positions at Rexel USA, Thomas & Betts and Electroline Manufacturing.

Theodore C. Wozniak, Executive Vice President—Business Development. Mr. Wozniak joined Actuant in 2006 in his current position. Prior to joining Actuant, Mr. Wozniak held senior investment banking positions at Wachovia Securities, most recently as Managing Director of the Industrial Growth Corporate Finance Group. Mr. Wozniak was employed by Wachovia Securities for ten years. Prior to that, Mr. Wozniak held various investment banking positions at First Chicago Capital Markets and Riggs National Corporation.

Item 1A. Risk Factors

The risks and uncertainties described below are those that we have identified as material, but are not the only risks and uncertainties facing us. If any of the events contemplated by the following risks actually occurs, then our business, financial condition, or results of operations could be materially adversely affected. Additional risks and uncertainties not currently known to us or that we currently believe are immaterial also may adversely impact our business.

General economic uncertainty, a prolonged European recession and overall challenging end market conditions could impact our ability to grow our business and adversely impact our financial condition, results of operations and cash flows.

Our businesses and operating results have been, and will continue to be, affected by worldwide economic conditions. The level of demand for our products depends, in part, on the general economic conditions that exist in our served end markets. A substantial portion of our revenues are derived from customers in cyclical industries (vehicles, industrial, oil & gas) that typically are adversely affected by downward economic cycles. As global economic uncertainty continues, our customers may experience deterioration of their businesses, which may delay or lengthen sales cycles. Unforeseen events may also require additional restructuring costs. Although we expect that the related cost savings and realization of efficiencies will offset the restructuring related costs over time, we may not achieve the net benefits. Like most industrial companies, our sensitivity to economic cycles may have a material effect on our financial condition, results of operations, cash flows and liquidity.

Our growth strategy includes strategic acquisitions. We may not be able to consummate future acquisitions or successfully integrate recent and future acquisitions.

A significant portion of our growth has come from strategic acquisitions of businesses. We plan to continue making acquisitions to enhance our global market position and broaden our product offerings. Our ability to successfully execute acquisitions will be impacted by a number of factors, including the availability of financing on terms acceptable to us, our ability to identify acquisition candidates and increased competition for acquisitions. The process of integrating acquired businesses into our existing operations may result in unforeseen operating difficulties and may require additional financial resources and attention from management that would otherwise be available for the ongoing development or expansion of our existing operations. Failure to effectively execute our acquisition strategy or successfully integrate the acquired businesses could have an adverse effect on our financial condition, results of operations, cash flows and liquidity.

We may not be able to realize the anticipated benefits from acquired companies.

We may not be able to realize the anticipated benefits from acquired companies. Achieving those benefits depends on the timely, efficient and successful execution of a number of post-acquisition events, including integrating the acquired business into the Company. Factors that could affect our ability to achieve these benefits include:

- difficulties in integrating and managing personnel, financial reporting and other systems used by the acquired businesses;
- the failure of acquired businesses to perform in accordance with our expectations;
- failure to achieve anticipated synergies between our business units and the business units of acquired businesses;
- the loss of customers of acquired businesses; or
- the loss of key managers of acquired businesses.

If acquired businesses do not operate as we anticipate, it could materially impact our business, financial condition and results of operations. In addition, acquired businesses may operate in niche markets in which we have little or no experience. In such instances, we will be highly dependent on existing managers and employees to manage those businesses, and the loss of any key managers or employees of the acquired business could have a material adverse effect on our financial condition, results of operations, cash flows and liquidity.

The indemnification provisions of acquisition agreements by which we have acquired companies may not fully protect us and may result in unexpected liabilities.

Certain of the acquisition agreements from past acquisitions require the former owners to indemnify us against certain liabilities related to the operation of each of their companies before we acquired it. In most of these agreements, however, the liability of the former owners is limited and certain former owners may not be able to meet their indemnification responsibilities. These indemnification provisions may not fully protect us, and as a result we may face unexpected liabilities that adversely affect our profitability and financial position.

Our goodwill and other intangible assets represent a substantial amount of our total assets.

Our total assets reflect substantial intangible assets, primarily goodwill. AtAugust 31, 2013, goodwill and other intangible assets totaled$1,112 million, or about 52% of our total assets. The goodwill results from our acquisitions, representing the excess of cost over the fair value of the net tangible and other identifiable intangible assets we have acquired. We assess annually whether there has been impairment in the value of our goodwill or indefinite-lived intangible assets. If future operating performance at one or more of our reporting units were to fall significantly below current levels, we could be required to recognize a non-cash charge to operating earnings for goodwill or other intangible asset impairment. Any significant goodwill or intangible asset impairment could negatively affect our financial condition and results of operations. See Note 3, “Discontinued Operations” in the notes to consolidated financial statements for more information regarding goodwill and intangible asset impairment charges recognized in fiscal 2013 and 2012.

Divestitures and discontinued operations could negatively impact our business, and retained liabilities from businesses that we sell could adversely affect our financial results.

As part of our portfolio management process, the Company reviews its operations for businesses which may no longer be aligned with its strategic initiatives and long-term objectives. During fiscal 2013, we announced our intention to divest the Electrical Segment (a discontinued operation at August 31, 2013). Divestitures pose risks and challenges that could negatively impact our business, including required separation/carve-out activities and costs, disputes with buyers or potential impairment

charges. We may also dispose of a business at a price or on terms that are less than we had previously anticipated. After reaching an agreement with a buyer for the disposition of a business, we are also subject to satisfaction of pre-closing conditions, as well as necessary regulatory and governmental approvals on acceptable terms, which may prevent us from completing a transaction. Dispositions may also involve continued financial involvement, as we may be required to retain responsibility for, or agree to indemnify buyers against contingent liabilities related to a businesses sold, such as lawsuits, tax liabilities, product liability claims or environmental matters. Under these types of arrangements, performance by the divested businesses or other conditions outside our control could affect our future financial results.

If we fail to develop new products or our customers do not accept the new products we develop, our business could be adversely affected.

Our ability to develop new products based on innovation can affect our competitive position and often requires the investment of significant resources. Difficulties or delays in research, development, production or commercialization of new products or failure to gain market acceptance of new products and technologies may reduce future sales and adversely affect our competitive position. We continue to invest in the development and marketing of new products through our G + I process. There can be no assurance that we will have sufficient resources to make such investments, that we will be able to make the technological advances necessary to maintain competitive advantages or that we can recover major research and development expenses. If we fail to make innovations, launch products with quality problems or the market does not accept our new products, then our financial condition, results of operations, cash flows and liquidity could be adversely affected. A lack of successful new product developments may also cause customers to buy from a competitor or may cause us to have to lower our prices to compete.

Our indebtedness could harm our operating flexibility and competitive position.

We have incurred, and may in the future incur, significant indebtedness in connection with acquisitions. We have, and will continue to have, a substantial amount of debt which requires interest and principal payments. Our level of debt and the limitations imposed on us by our debt agreements could adversely affect our operating flexibility and put us at a competitive disadvantage.

Our ability to make scheduled principal and interest payments, refinance our indebtedness and satisfy our other debt and lease obligations will depend upon our future operating performance and credit market conditions, which could be affected by factors beyond our control. In addition, there can be no assurance that future borrowings or equity financings will be available to us on favorable terms, or at all, for the payment or refinancing of our indebtedness. If we are unable to service our indebtedness, our business, financial condition and results of operations will be adversely affected.

Our failure to comply with the financial and other covenants in our debt agreements would adversely affect us.

Our senior credit agreement and our other debt agreements contain financial and other restrictive covenants. These covenants could adversely affect us by limiting our financial and operating flexibility as well as our ability to plan for and react to market conditions and to meet our capital needs. Our failure to comply with these covenants could result in events of default which, if not cured or waived, could result in us being required to repay indebtedness before its due date, and we may not have the financial resources or be able to arrange alternative financing to do so. Borrowings under our senior credit facility are secured by most domestic personal property assets and are guaranteed by most of our domestic subsidiaries and by a pledge of the stock of most of our domestic subsidiaries and certain foreign subsidiaries. If borrowings under our senior credit facility were declared or became due and payable immediately as the result of an event of default and we were unable to repay or refinance those borrowings, the lenders could foreclose on the pledged assets and stock. Any event that requires us to repay any of our debt before it is due could require us to borrow additional amounts at unfavorable borrowing terms, cause a significant reduction in our liquidity and impair our ability to pay amounts due on our indebtedness. Moreover, if we are required to repay any of our debt before it becomes due, we may be unable to borrow additional amounts or otherwise obtain the cash necessary to repay that debt, when due, which could seriously harm our business.

Our businesses operate in highly competitive markets, so we may be forced to cut prices or incur additional costs.

Our businesses generally face substantial competition in each of their respective markets. We may lose market share in certain businesses or be forced to reduce prices or incur increased costs. We compete on the basis of product design, quality, availability, performance, customer service and price. Present or future competitors may have greater financial, technical or other resources which could put us at a competitive disadvantage.

Our international operations pose currency and other risks.

We continue to focus on penetrating global markets as part of our overall growth strategy and expect sales from and into foreign markets to continue to represent a significant portion of our revenue. In addition, many of our manufacturing operations and suppliers are located outside the United States. Our international operations present special risks, primarily from currency exchange rate fluctuations, exposure to local economic and political conditions, export and import restrictions, controls on repatriation of cash and exposure to local political conditions. In particular, our results of operations have been significantly affected by fluctuations in foreign currency exchange rates, especially the Euro and British pound. In addition, there have been several proposals to reform international taxation rules in the United States. We earn a substantial portion of our income from international operations and therefore changes to United States international tax rules may have a material adverse effect on future results of operations or liquidity. To the extent that we expand our international presence, these risks may increase.

Geopolitical unrest and terrorist activities may cause the economic conditions in the U.S. or abroad to deteriorate, which could harm our business.

Terrorist attacks against targets in the U.S. or abroad, rumors or threats of war, other geopolitical activity or trade disruptions may impact our operations or cause general economic conditions in the U.S. and abroad to deteriorate. A prolonged economic slowdown or recession in the U.S. or in other areas of the world could reduce the demand for our products and, therefore, negatively affect our future sales. Any of these events could have a significant impact on our business, financial condition or results of operations.

Large or rapid increases in the costs of raw materials or substantial decreases in their availability could adversely affect our operations.

The primary raw materials that are used in our products include steel, plastic resin, copper, brass, steel wire and rubber. Most of our suppliers are not currently parties to long-term contracts with us. Consequently, we are vulnerable to fluctuations in prices of such raw materials. If market prices for certain materials such as steel, plastic resin and copper rise, it could have a negative effect on our operating results and ability to manufacture our respective products on a timely basis. Factors such as supply and demand, freight costs and transportation availability, inventory levels, the level of imports and general economic conditions may affect the prices of raw materials that we need. If we experience a significant increase in raw material prices, or if we are unable to pass along increases in raw material prices to our customers, our results of operations could be adversely affected. In addition, an increasing portion of our products are sourced from low cost regions. Changes in export laws, taxes and disruptions in transportation routes could adversely impact our results of operations.

Regulatory and legal developments including changes to United States taxation rules, health care reform and governmental climate change initiatives could negatively affect our financial performance.

Our operations and the markets we compete in are subject to numerous federal, state, local and foreign governmental laws and regulations. Existing laws and regulations may be revised or reinterpreted and new laws and regulations, including with respect to taxation, health care reform and governmental climate change initiatives, may be adopted or become applicable to us or customers. These regulations are complex, change frequently and have tended to become more stringent over time. We cannot predict the form any such new laws or regulations will take or the impact any of these laws and regulations will have on our business or operations. Any significant change in any of these regulations could reduce demand for our products or increase our cost of producing these products.

Due to our global operations, we are subject to many laws governing international relations, including those that prohibit improper payments to government officials and commercial customers, and restrict where we can do business, what information or products we can supply to certain countries and what information we can provide to a non-U.S. government, including but not limited to the Foreign Corrupt Practices Act and the U.S. Export Administration Act. Violations of these laws, which are complex, may result in criminal penalties or sanctions that could have a material adverse effect on our business, financial condition and results of operations.

Environmental laws and regulations may result in additional costs.

We are subject to federal, state, local and foreign laws and regulations governing public and worker health and safety. Any violations of these laws by us could cause us to incur unanticipated liabilities that could harm our operating results. Pursuant to such laws, governmental authorities have required us to contribute to the cost of investigating or remediating certain matters at current or previously owned and operated sites. In addition, we provided environmental indemnities in connection with the sale of certain businesses and product lines. Liability as an owner or operator, or as an arranger for the treatment or disposal of hazardous substances, can be joint and several and can be imposed without regard to fault. There is a risk that our costs relating to these matters could be greater than what we currently expect or exceed our insurance coverage, or

that additional remediation and compliance obligations could arise which require us to make material expenditures. In particular, more stringent environmental laws, unanticipated remediation requirements or the discovery of previously unknown conditions could materially harm our financial condition and operating results. We are also required to comply with various environmental laws and maintain permits, some of which are subject to discretionary renewal from time to time, for many of our businesses, and our business operations could be restricted if we are unable to renew existing permits or to obtain any additional permits that we may require.

Any loss of key personnel and the inability to attract and retain qualified employees could have a material adverse impact on our operations.

We are dependent on the continued services of key executives such as our Chief Executive Officer, President, Chief Financial Officer and executives in charge of our segments. We currently do not have employment agreements with most of these or other officers. The departure of key personnel without adequate replacement could severely disrupt our business operations. Additionally, we need qualified managers and skilled employees with technical and manufacturing industry experience to operate our businesses successfully. From time to time there may be shortages of skilled labor which may make it more difficult and expensive for us to attract and retain qualified employees. If we are unable to attract and retain qualified individuals or our costs to do so increase significantly, our operations would be materially adversely affected.

Our operations are highly dependent on information technology infrastructure and failures could significantly affect our business.

We depend heavily on our information technology ("IT") infrastructure in order to achieve our business objectives. If we experience a significant problem that impairs this infrastructure, such as a computer virus, cyber attack, a problem with the functioning of an important IT application or an intentional disruption of our IT systems by a third party, the resulting disruptions could impede our ability to record or process orders, manufacture and ship in a timely manner or otherwise carry on our business in the ordinary course. Our information systems could also be penetrated by outside parties intent on extracting information, corrupting information or disrupting business processes. Such unauthorized access could disrupt our business and could result in the loss of assets. Any such events could cause us to lose customers or revenue and could require us to incur significant expense to eliminate these problems and address related security concerns.

We are subject to litigation, including product liability and warranty claims that may adversely affect our financial condition and results of operations.

We are, from time to time, a party to litigation that arises in the normal course of our business operations, including product warranty and liability claims, contract disputes and environmental, asbestos, employment and other litigation matters. We face an inherent business risk of exposure to product liability and warranty claims in the event that the use of our products is alleged to have resulted in injury or other damage. While we currently maintain general liability and product liability insurance coverage in amounts that we believe are adequate, we may not be able to maintain this insurance on acceptable terms and the insurance may not provide sufficient coverage against potential liabilities that may arise. Any claims brought against us, with or without merit, may have an adverse effect on our business and results of operations as a result of potential adverse outcomes, the expenses associated with defending such claims, the diversion of our management's resources and time and the potential adverse effect to our business reputation.

If our intellectual property protection is inadequate, others may be able to use our technologies and tradenames and thereby reduce our ability to compete, which could have a material adverse effect on us, our financial condition and results of operations.

We regard much of the technology underlying our services and products and the trademarks under which we market our products as proprietary. The steps we take to protect our proprietary technology may be inadequate to prevent misappropriation of our technology, or third parties may independently develop similar technology. We rely on a combination of patent, trademark, copyright and trade secret laws, employee and third-party non-disclosure agreements and other contracts to establish and protect our technology and other intellectual property rights. The agreements may be breached or terminated, and we may not have adequate remedies for any breach, and existing trade secrets, patent and copyright law afford us limited protection. Policing unauthorized use of our intellectual property is difficult. A third party could copy or otherwise obtain and use our products or technology without authorization. Litigation may be necessary for us to defend against claims of infringement or to protect our intellectual property rights and could result in substantial cost to us and diversion of our efforts. Further, we might not prevail in such litigation which could harm our business.

Our products could infringe on the intellectual property of others, which may cause us to engage in costly litigation and, if we are not successful, could cause us to pay substantial damages and prohibit us from selling our products.

Third parties may assert infringement or other intellectual property claims against us based on their patents or other intellectual property claims, and we may have to pay substantial damages, possibly including treble damages, if it is ultimately determined that our products infringe. We may have to obtain a license to sell our products if it is determined that our products infringe upon another party's intellectual property. We might be prohibited from selling our products before we obtain a license, which, if available at all, may require us to pay substantial royalties. Even if infringement claims against us are without merit, defending these types of lawsuits takes significant time, may be expensive and may divert management attention from other business concerns.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

As of August 31, 2013, the Company operated the following facilities in its continuing operations (square footage in thousands):

	Number of Locations			Square Footage		
	Manufacturing	Distribution / Sales / Admin	Total	Owned	Leased	Total
Industrial	8	12	20	157	546	703
Energy	11	29	40	40	974	1,014
Engineered Solutions	18	5	23	634	817	1,451
Corporate and other	1	4	5	353	111	464
	38	50	88	1,184	2,448	3,632

We consider our facilities suitable and adequate for the purposes for which they are used and do not anticipate difficulty in renewing existing leases as they expire or in finding alternative facilities. Our largest facilities are located in the United States, the United Kingdom, the Netherlands, Mexico, Turkey and China. We also maintain a presence in Australia, Azerbaijan, Brazil, Canada, Finland, France, Germany, Hong Kong, Hungary, India, Indonesia, Italy, Japan, Kazakhstan, Malaysia, Norway, Russia, Singapore, South Africa, South Korea, Spain, Sweden and the United Arab Emirates. See Note 8 "Leases" in the notes to the consolidated financial statements for information with respect to our lease commitments. In addition to the facilities above, we retain responsibility for four facilities that are now idle and available for sale or sublease.

Item 3. Legal Proceedings

We are a party to various legal proceedings that have arisen in the normal course of business, including product liability, environmental, labor and patent claims.

We have recorded reserves for estimated losses based on the specific circumstances of each case. Such reserves are recorded when it is probable that a loss has been incurred as of the balance sheet date, the amount of the loss can be reasonably estimated and the loss is not recoverable through insurance. In our opinion, the resolution of these contingencies is not likely to have a material adverse effect on our financial condition, results of operation or cash flows. For further information refer to Note 14, "Contingencies and Litigation" in the notes to consolidated financial statements.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Shareholder Matters and Issuer Purchases of Equity Securities

The Company's Class A common stock is traded on the New York Stock Exchange under the symbol ATU. At September 30, 2013, there were 1,655 shareholders of record of Actuant Corporation Class A common stock. The high and low sales prices of the common stock were as follows for the previous two fiscal years:

Fiscal Year	Period	High	Low
2013	June 1, 2013 to August 31, 2013	$ 37.22	$ 31.18
	March 1, 2013 to May 31, 2013	34.61	29.16
	December 1, 2012 to February 28, 2013	31.77	26.20
	September 1, 2012 to November 30, 2012	31.33	25.38
2012	June 1, 2012 to August 31, 2012	$ 29.12	$ 24.23
	March 1, 2012 to May 31, 2012	29.97	24.33
	December 1, 2011 to February 29, 2012	28.94	20.05
	September 1, 2011 to November 30, 2011	24.09	17.63

Dividends

In fiscal 2013, the Company declared a dividend of $0.04 per common share payable on October 15, 2013 to shareholders of record on September 30, 2013. In fiscal 2012, the Company declared a dividend of 0.04 per common share payable on October 16, 2012 to shareholders of record on September 28, 2012.

Share Repurchases

In September 2011, the Company's Board of Directors authorized a stock repurchase program to acquire up to 7,000,000 shares of the Company's outstanding Class A common stock. Since the inception of the stock repurchase program 3,983,513 shares have been repurchased at a total cost of $105 million. The following table presents information regarding the repurchase of common stock by the Company during the three months ended August 31, 2013. All of the shares were repurchased as part of the publicly announced program.

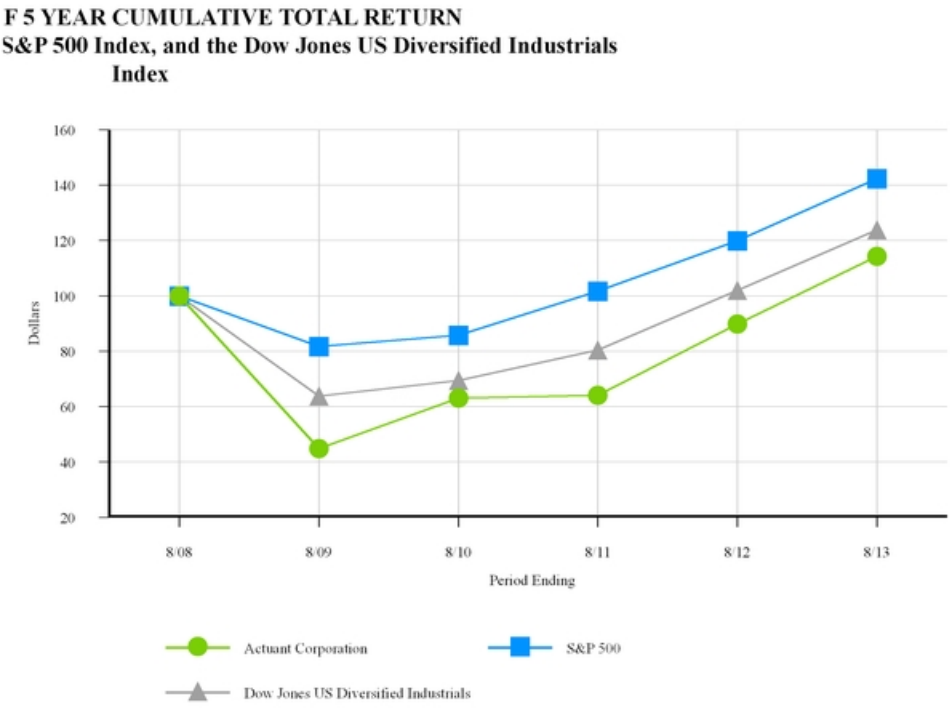
Period	Total Number of Shares Purchased	Average Price Paid per Share	Maximum Number of Shares That May Yet Be Purchased Under the Program
June 1 to June 30, 2013	200,000	$ 31.67	3,658,606
July 1 to July 31, 2013	592,119	33.89	3,066,487
August 1 to August 31, 2013	50,000	34.76	3,016,487
	842,119	$ 33.41	

Securities Authorized for Issuance under Equity Compensation Plans

The information required by Item 201(d) of Regulation S-K is provided under Item 12, *Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters*, which is incorporated herein by reference.

Performance Graph:

The graph below compares the cumulative 5-year total return of Actuant Corporation's common stock with the cumulative total returns of the S&P 500 index and the Dow Jones US Diversified Industrials index. The graph tracks the performance of a $100 investment in our common stock and in each of the indexes (with the reinvestment of all dividends) from August 31, 2008 to August 31, 2013.



	8/08	8/09	8/10	8/11	8/12	8/13
Actuant Corporation	$ 100.00	$ 44.86	$ 63.08	$ 64.02	$ 89.83	$ 114.27
S&P 500	100.00	81.75	85.76	101.63	119.92	142.35
Dow Jones US Diversified Industrials	100.00	63.83	69.36	80.36	101.89	123.81

The stock price performance included in this graph is not necessarily indicative of future stock price performance.

Item 6. Selected Financial Data

The following selected historical financial data have been derived from the consolidated financial statements of the Company. The data should be read in conjunction with these financial statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

	Year Ended August 31,				
	2013	2012	2011	2010	2009
	(in millions, except per share data)				
Statement of Earnings Data(1)(2):					
Net sales	$ 1,280	$ 1,277	$ 1,159	$ 927	$ 876
Gross profit	507	511	465	353	322
Selling, administrative and engineering expenses	292	285	268	221	201
Restructuring charges	2	—	2	11	13
Impairment charges	—	—	—	—	26
Amortization of intangible assets	23	22	22	19	17
Operating profit	190	204	173	102	65
Earnings from continuing operations	148	125	110	56	23
Diluted earnings per share from continuing operations	$ 1.98	$ 1.68	$ 1.49	$ 0.78	$ 0.39
Cash dividends per share declared	0.04	0.04	0.04	0.04	0.04
Diluted weighted average common shares	74,580	74,940	75,305	74,209	66,064
Balance Sheet Data (at end of period)(2):					
Total assets	$ 2,119	$ 2,007	$ 2,063	$ 1,622	$ 1,568
Total debt	515	398	525	367	400

(1) Results are from continuing operations and exclude the financial results of previously divested businesses (European Electrical, Acme Aerospace and BH Electronics) and discontinued operations (Electrical segment).

(2) We have completed various acquisitions that impact the comparability of the selected financial data. The results of operations for these acquisitions are included in our financial results for the period subsequent to their acquisition date. The following table summarizes the significant acquisitions that were completed during the last five fiscal years:

Acquisition	Segment	Date Completed	Sales (a)
Viking SeaTech	Energy	August 2013	$ 90
CrossControl AB	Engineered Solutions	July 2012	40
Turotest Medidores Ltda	Engineered Solutions	March 2012	13
Jeyco Pty Ltd	Energy	February 2012	20
Weasler Engineering, Inc.	Engineered Solutions	June 2011	85
Selantic	Energy	June 2010	10
Biach Industries	Energy	April 2010	5
Hydrospex	Industrial	April 2010	25
Team Hydrotec	Industrial	April 2010	5
The Cortland Companies		September 2008	
Cortland Cable Company	Energy		75
Sanlo, Inc.	Engineered Solutions		25

(a) Represents approximate annual sales (in millions) at the time of the completion of the transaction.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Background

As discussed in Item 1, "Business," we are a global diversified company that manufactures a broad range of industrial products and systems and are organized into three reportable segments, Industrial, Energy and Engineered Solutions. The Industrial segment is primarily involved in the design, manufacture and distribution of branded hydraulic and mechanical tools to the maintenance, industrial, infrastructure and production automation markets. The Energy segment provides joint integrity products and services, customized offshore vessel mooring solutions, as well as rope and cable solutions to the global oil & gas, power generation and energy markets. The Engineered Solutions segment provides highly engineered position and motion control systems to OEMs in various vehicle markets, as well as a variety of other products to the industrial and agricultural markets.

Our businesses provide a vast array of products and services across multiple customers and geographies which results in significant diversification. The long-term sales growth and profitability of our segments will depend not only on improved demand in end markets and the overall economic environment, but also on our ability to identify, consummate and integrate strategic acquisitions, develop and market innovative new products, expand our business activity geographically and continuously improve operational excellence. We remain focused on maintaining our financial strength by adjusting our cost structure to reflect changes in demand levels and by proactively managing working capital and cash flow generation. Our priorities during fiscal 2014 include a continued focus on operational excellence, cash flow generation and growth initiatives (new product development, market share gains, geographic expansion and strategic acquisitions).

Historical Financial Data (in millions)

	Year Ended August 31,					
	2013		2012		2011	
Statements of Earnings Data:						
Net sales	$ 1,280	100 %	$ 1,277	100 %	$ 1,159	100%
Cost of products sold	773	60 %	765	60 %	694	60%
Gross profit	507	40 %	512	40 %	465	40%
Selling, administrative and engineering expenses	294	23 %	285	22 %	270	23%
Amortization of intangible assets	23	2 %	22	2 %	22	2%
Operating profit	190	15 %	205	16 %	173	15%
Financing costs, net	25	2 %	30	3 %	32	3%
Debt refinancing costs	—	0 %	17	1 %	—	0%
Other expense, net	2	0 %	3	0 %	3	0%
Earnings from continuing operations before income tax	163	13 %	155	12 %	138	12%
Income tax expense	15	1 %	30	2 %	28	2%
Earnings from continuing operations	148	12 %	125	10 %	110	10%
Earnings (loss) from discontinued operations, net of income taxes	(118)	(9)%	(38)	(3)%	1	0%
Net earnings	$ 30	3 %	$ 87	7 %	$ 111	10%
Other Financial Data:						
Depreciation	$ 26		$ 25		$ 25	
Capital expenditures	24		23		23	

Consolidated net sales increased by approximately $3 million from $1,277 million in fiscal 2012 to $1,280 million million in fiscal 2013. Excluding the $48 million of sales from acquired businesses and the $8 million million unfavorable impact of foreign currency exchange rate changes, fiscal2013 consolidated core sales decreased 3%. The core sales decline (compared to 4% core sales growth in the prior year) is the result of challenging end market conditions and the resulting subdued demand for our products and services. Consolidated operating profit for fiscal 2013 was $190 million, compared to $205 million and $173 million for fiscal 2012 and 2011, respectively. In addition to the impact of economic conditions, the comparability of results between periods is impacted by acquisitions, sales levels (operating leverage), product mix, variable incentive compensation expense and the timing and amount of restructuring charges and related benefits. Refer to Note 13,

"Business Segment, Geographic and Customer Information" in the notes to the consolidated financial statements for further information regarding segment revenues, operating profits and assets.

Segment Results

Industrial Segment

Core sales growth in the Industrial segment moderated throughout fiscal2013, as economic conditions globally weakened. The segment continues to focus on innovative integrated solutions, the commercialization of new products and the expansion of its business in fast growing regions and vertical markets. Despite tepid economic conditions globally we believe the Industrial segment will continue to generate low single digit core sales growth over the next twelve months, driven by our vertical market initiatives, new product introductions and the benefit of G+I activities. The following table sets forth summary results of operations for the Industrial segment for the three most recent fiscal years (in millions):

	Year Ended August 31,		
	2013	**2012**	**2011**
Net Sales	$ 423	$ 419	$ 393
Operating Profit	118	115	98
Operating Profit %	27.8%	27.4%	25.0%

Fiscal 2013 *compared to Fiscal* 2012

Fiscal 2013 Industrial segment net sales increased by $4 million (1%) to $423 million. Higher global integrated solutions sales and market share gains contributed to the modest core sales growth in a time of global economic weakness and tough prior year comparables. Operating profit was $118 million in fiscal 2013, compared to $115 million in fiscal 2012, a $3 million (2%) increase. Operating profit and related margins improved in fiscal 2013 due to productivity improvements, slightly higher sales and lower incentive compensation expense, which were somewhat offset by unfavorable product mix.

Fiscal 2012 *compared to Fiscal* 2011

Fiscal 2012 Industrial segment net sales increased by $26 million (7%) to $419 million, the result of solid industrial tool demand across most geographies. Excluding the unfavorable impact of foreign currency exchange rate changes ($7 million), year-over-year core sales growth for fiscal2012 was 9%. Growth + Innovation initiatives, including targeted vertical market strategies on mining and bolting and integrated solutions market share gains, also contributed to sales growth. These higher sales volumes, coupled with favorable product mix and lower incentive compensation costs, resulted in operating profit margin expansion during fiscal 2012. Operating profit in fiscal 2012 grew 17% to $115 million, compared to $98 million in fiscal 2011.

Energy Segment

Increased global demand for oil & gas and other sources of energy have driven positive end market demand trends for the Energy segment. The Energy segment continues to focus on expanding its presence in the global energy markets and successfully integrating the recent Viking acquisition. The Energy segment is expected to generate modest core sales growth in fiscal 2014, the result of solid maintenance and umbilical activity, offset by continued soft demand from non-energy markets (defense, marine and aerospace). The following table sets forth summary results of operations for the Energy segment for the three most recent fiscal years (in millions):

	Year Ended August 31,		
	2013	**2012**	**2011**
Net Sales	$ 363	$ 349	$ 293
Operating Profit	63	62	49
Operating Profit %	17.4%	17.8%	16.8%

Fiscal 2013 *compared to Fiscal* 2012

Energy segment net sales for the fiscal year ended August 31,2013 increased $14 million (4%) to $363 million from $349 million in the prior year. Excluding $12 million of sales from acquisitions and the $3 million unfavorable impact of foreign currency rate changes, year-over-year core sales grew 2% in fiscal 2013 due to overall market growth. Energy segment operating profit was $63 million in fiscal 2013 compared to $62 million in fiscal 2012. Excluding a $3 million favorable adjustment to an acquisition earn out provision in fiscal 2012, fiscal 2013 operating profit improved $4 million (7%), as a result of increased operating leverage (driven by higher sales volumes), favorable product mix and lower incentive compensation costs.

Fiscal 2012 *compared to Fiscal* 2011

Energy segment net sales for the fiscal year ended August 31,2012 increased 19% from $293 million to $349 million. Excluding $7 million of sales from the Jeyco acquisition in 2012 and the impact of foreign currency rate changes (which unfavorably impacted sales by$5 million), core sales grew 19% in fiscal 2012. The core sales growth reflects market share gains and continued strong demand for our products, rental assets and technical manpower services across the global energy market. Energy segment operating profit increased $13 million (26%) to $62 million in fiscal 2012 compared to $49 million in fiscal 2011. The year-over-year improvement in operating profit margins is primarily the result of continued productivity improvements, higher sales volumes and a favorable adjustment to an acquisition earn-out provision.

Engineered Solutions Segment

Despite wide-spread weak demand during the first half of fiscal 2013 partially due to OEM inventory reduction efforts, demand has since improved in the off-highway and heavy-duty truck markets. Although end market demand is anticipated to be modest, we expect core sales growth in the Engineered Solutions segment in fiscal 2014, the result of new product launches and the lack of inventory destocking by OEMs. The segment continues to focus on the commercialization of new products and execution of restructuring initiatives to reduce cost and improve market competitiveness. The following table sets forth summary results of operations for the Engineered Solutions segment for the three most recent fiscal years (in millions):

	Year Ended August 31,		
	2013	**2012**	**2011**
Net Sales	$ 494	$ 508	$ 473
Operating Profit	40	61	64
Operating Profit %	8.2%	12.0%	13.4%

Fiscal 2013 *compared to Fiscal* 2012

Net sales in the Engineered Solutions segment decreased$14 million (3%) from fiscal 2012 to$494 million in fiscal 2013. Excluding the benefit of$36 million of sales from acquired businesses and the impact of changes in foreign currency exchange rates (which unfavorably impacted sales by $2 million), core sales declined 10% from the prior year. The core sales decline was broad based across most served end markets and geographies and primarily reflected challenging economic conditions and OEM inventory destocking in the heavy-duty truck and off-highway markets. Engineered Solutions segment operating profit declined to $40 million during fiscal 2013 compared to $61 million in the prior year, primarily due to the impact of lower volumes, unfavorable sales mix and $2 million of restructuring costs.

Fiscal 2012 *compared to Fiscal* 2011

Net sales in the Engineered Solutions segment increased$35 million (7%) to $508 million in fiscal 2012. Excluding the benefit of$84 million of sales from acquired businesses and the headwind from the weaker Euro (which unfavorably impacted sales by $12 million), core sales declined 9% from the prior year. This decline resulted from sharply lower demand and reduced production schedules from vehicle OEM's serving the convertible top auto and European and China heavy-duty truck markets. Engineered Solutions segment operating profit declined modestly to $61 million during fiscal 2012 compared to $64 million in the prior year, primarily the result of lower sales and unfavorable product mix.

Financing Costs, Net

All debt is considered to be for general corporate purposes and we therefore do not allocate financing costs to our segments. Net financing costs were$25 million, $30 million and $32 million for the years ended August 31, 2013,2012 and 2011, respectively. The reduction in interest expense in fiscal 2013 reflects the conversion of our 2% Convertible Notes into

common stock, as well as the benefit of lower interest rates following the refinancing of our Senior Notes in the third quarter of fiscal 2012.

Income Tax Expense

Our income tax expense is impacted by a number of factors, including the amount of taxable earnings derived in foreign jurisdictions with tax rates that are higher or lower than the U.S. federal statutory rate, state tax rates in the jurisdictions where we do business, tax minimization planning and our ability to utilize various tax credits and net operating loss carryforwards to reduce income tax expense. Income tax expense also includes the impact of provision to return adjustments, changes in valuation allowances and reserve requirements for unrecognized tax benefits.

The effective income tax rate for fiscal2013 was 9.4%, compared to 19.0% and 20.2% in fiscal2012 and 2011, respectively. The lower fiscal 2013 effective tax rate reflects the benefits of tax minimization planning, the utilization of tax net operating losses, favorable changes in tax laws, increased foreign tax credit utilization and favorable discrete items. Discrete period income tax benefits in fiscal 2013 included a $10 million reversal of tax reserves established in prior years (as a result of the lapsing of non-U.S. income tax statues of limitations) and an $11 million adjustment to properly state deferred tax balances related to equity compensation programs (see to Note 1, “Summary of Significant Accounting Policies” in the notes to the consolidated financial statements for further discussion). Fiscal 2012 income tax expense included a $6 million discrete income tax benefit resulting from debt refinancing while fiscal 2011 income tax expense included a $4 million benefit from a favorable adjustment to a valuation allowance.

Discontinued Operations

The Electrical segment is primarily involved in the design, manufacture and distribution of a broad range of electrical products to the retail DIY, wholesale, OEM, solar, utility, marine and other harsh environment markets. Our Mastervolt business was acquired in December 2010 and is comprised of two product lines, solar and marine. During the fourth quarter of fiscal 2012 we recognized a non-cash impairment charge of $63 million related to the Mastervolt reporting unit. We recorded a further $159 million impairment charge in fiscal 2013, due to our decision to divest the entire Electrical segment.

Since its acquisition in fiscal 2010, financial results for Mastervolt have been volatile, attributable to challenging business and market conditions and regulatory changes. Substantially all of Mastervolt's solar sales are in Europe. Solar demand has been adversely impacted by weak European economic conditions, government subsidy policy changes and budget challenges and the resulting austerity actions that have impacted solar subsidies, consumer confidence and access to credit. As a result of financial challenges facing European governments, significant reductions were made to solar feed in tariff (“FiT”) incentives, which increased the volatility of solar demand, and made investments in solar systems less attractive to potential buyers. Reduced FiT's unfavorably impact our customers' return on investment in solar systems, thereby creating downward pressure on solar inverter pricing. During the fourth quarter of fiscal 2012, reduced incentive schemes were announced and implemented in Mastervolt's key served markets (United Kingdom, France, Belgium, Germany and Italy). The combination of all of these factors reduced Mastervolt's solar sales and margins. This necessitated several actions, including negotiating lower product cost from Mastervolt's suppliers, increasing our efforts to reduce solar inventory levels, initiating management changes, narrowing the focus of the solar business to certain key markets and product lines and reducing overhead through facility closures and headcount reductions.

Mastervolt generated $73 million in sales and $4 million in operating profit in fiscal 2012, excluding the $63 million fourth quarter non-cash impairment charge. Despite the year-over-year improvement in operating results in the second half of fiscal 2012 (relative to operating losses in the prior year comparable periods) the business continued to underperform relative to expectations in its solar product line. While we believe the solar industry will continue to grow, we reduced Mastervolt's long-term sales and profitability expectations as a result of continued pricing pressure, the frequent imbalance between solar industry inverter supply and demand (resulting in excess inventory) and the volatile nature of end market demand given frequent unfavorable FiT changes. We also reviewed the long-term strategic fit of the Mastervolt business in the fourth quarter of fiscal 2012, as part of our annual strategic plan and portfolio management process. Various actions to address the Mastervolt business, and the solar product line in particular, were considered, including continuing to operate and invest in the business, implementing significant restructuring and downsizing actions or exiting the entire business or the solar product line through a possible closure or sale. The adverse business, economic and competitive factors, coupled with the uncertainty regarding the long-term strategic fit of the business, resulted in a $63 million impairment charge during the fourth quarter of fiscal 2012. This consisted of the write-down of $37 million of goodwill and $26 million of indefinite lived intangible assets (tradename). The remaining carrying value of the Mastervolt business was $87 million at August 31, 2012 (including $3 million of net tangible assets and $84 million of intangible assets, goodwill and deferred income taxes).

During the first half of fiscal 2013, we initiated additional restructuring actions including headcount reductions and facility closures in the Electrical segment to respond to weak overall demand and negative year-over-year core sales growth for the segment. Following additional portfolio management discussions, we committed to a plan to divest the entire Electrical segment in May 2013. We have engaged an investment bank to assist us in the sale process and believe that a sale will be completed in the first half of fiscal 2014, subject to terms that are usual and customary for the sale of a business. The divestiture will allow us to streamline our business portfolio and refocus on the remaining three segments in a way that better positions the Company to take advantage of our core competencies, current business model and global growth trends. As a result, we recognized an impairment charge in fiscal 2013 of $159 million, including a write-down of $138 million of goodwill and $21 million of tradenames. Following this write-down, there is no remaining goodwill associated with the Mastervolt reporting unit and $77 million of remaining North American Electrical goodwill. Refer to Note 3, “Discontinued Operations” in the notes to the consolidated financial statements for information regarding the carrying value of assets held for sale.

The results of operations for the Electrical segment have been reported as discontinued operations for all periods presented. The following table summarizes the results of discontinued operations (in millions) for the last three fiscal years:

	Year Ended August 31,		
	2013	2012	2011
Net sales	$ 286	$ 329	$ 335
Operating profit	34	28	28
Impairment charges	(159)	(62)	—
Net loss on disposal (1)	—	—	(16)
Income tax benefit (expense)	7	(4)	(11)
Income (loss) from discontinued operations, net of taxes	$ (118)	$ (38)	$ 1

(1) In fiscal 2011 the Company completed the sale of its European Electrical business for cash proceeds of $4 million. As a result of the sale transaction, the Company recognized a pre-tax loss on disposal of $16 million, including an $11 million charge to cover future lease payments on an unfavorable real estate lease used by the divested business.

Liquidity and Capital Resources

The following table summarizes the cash flow attributable to operating, investing and financing activities (in millions):

	Year Ended August 31,		
	2013	2012	2011
Net cash provided by operating activities	$ 194	$ 182	$ 172
Net cash used in investing activities	(253)	(83)	(331)
Net cash provided by (used in) financing activities	99	(72)	158
Effect of exchange rate changes on cash	(4)	(3)	5
Net increase in cash and cash equivalents	$ 36	$ 24	$ 4

Cash flows from operating activities during fiscal 2013 were $194 million, primarily consisting of net earnings and effective working capital management, offset by the payment of $17 million of fiscal 2012 incentive compensation costs. Investing activities during fiscal 2013 included $24 million of net capital expenditures and the receipt of $5 million in proceeds related to the divestiture of the Nielsen Sessions business. Existing cash, borrowings under the revolving credit facility and operating cash flows funded the $235 million purchase price of the Viking acquisition, the repurchase of approximately 1.3 million shares of the Company’s common stock ($42 million) and the annual dividend.

Cash flows from operating activities in fiscal 2012 were $182 million, the result of strong cash earnings and effective working capital management, which were partially offset by the use of $30 million in the debt refinancing. This net operating cash flow and the proceeds from the debt refinancing funded $63 million of share repurchases, $69 million of business acquisitions and the repayment of revolving credit facility borrowings. Proceeds from the sale of property, plant and equipment (which included the sale-leaseback of certain equipment and the sale of a vacant facility) were $9 million, while capital expenditures totaled $23 million.

During fiscal 2011 we generated $172 million of cash flow from operations, a combination of strong earnings from continuing operations and the ongoing focus on working capital management. We utilized this cash flow, as well as borrowings under our Senior Credit Facility and the $4 million of proceeds from the sale of the European Electrical business to fund the Mastervolt and Weasler acquisitions (totaling $313 million) and $23 million of capital expenditures.

Primary Working Capital Management

We use primary working capital ("PWC") as a percentage of sales as a key indicator of working capital management. We define this metric as the sum of net accounts receivable and net inventory less accounts payable, divided by the past three months sales annualized. We view this as a measure of asset management efficiency. The following table shows the components of the metric (amounts in millions):

	August 31, 2013		August 31, 2012	
	$	PWC %	$	PWC %
Accounts receivable, net	$ 219	16 %	$ 235	15 %
Inventory, net	143	10 %	212	13 %
Accounts payable	(154)	(11)%	(175)	(11)%
Net primary working capital	$ 208	15 %	$ 272	17 %

Liquidity

Our Senior Credit Facility, which matures on July 18, 2018, includes a $600 million revolving credit facility, a $90 million term loan and a $350 million expansion option. Quarterly principal payments of $1 million begin on the term loan on September 30, 2014, increasing to $2 million per quarter beginning on September 30, 2015, with the remaining principal due at maturity. At August 31, 2013, we had $104 million of cash and cash equivalents and $472 million of unused capacity on the revolver (all of which was available to borrow). We believe that the availability under the Senior Credit Facility, combined with our existing cash on hand and anticipated operating cash flows will be adequate to meet operating, debt service, stock buyback, acquisition funding and capital expenditure requirements for the foreseeable future. See Note 5, "Debt" in the notes to the consolidated financial statements for further discussion on the Senior Credit Facility.

Seasonality and Working Capital

We have met our working capital and capital expenditure requirements through a combination of operating cash flow and revolver availability under our Senior Credit Facility. Although there are modest seasonal factors within certain of our businesses, on a consolidated basis, we do not experience material changes in seasonal working capital or capital resource requirements.

Our receivables are derived from a diverse customer base in a number of industries. We have no single customer which generated 5% or more of fiscal 2013 net sales.

Capital Expenditures

The majority of our manufacturing activities consist of the assembly of components which are sourced from a variety of vendors. As a result, we believe that our capital expenditure requirements are not as extensive as many other industrial companies given the assembly nature of our operations. Capital expenditures (which have historically been funded by operating cash flows) were $24 million in fiscal 2013 and $23 million in both fiscal 2012 and 2011. Capital expenditures for fiscal 2014 are expected to be in the range of $35 to 40 million, but could vary from that depending on business and growth opportunities.

Commitments and Contingencies

Given our desire to allocate available cash flow and revolver availability to fund growth initiatives, we typically lease much of our operating equipment and facilities. We lease certain facilities, computers, equipment and vehicles under various operating lease agreements, generally over periods ranging from one to twenty years. Under most arrangements, we pay the property taxes, insurance, maintenance and expenses related to the leased property. Many of the leases include provisions that enable us to renew the lease based upon fair value rental rates on the date of expiration of the initial lease. See Note 8, "Leases," in the notes to consolidated financial statements and the "Contractual Obligations" table below for further information.

We are contingently liable for certain lease payments under leases of businesses that we previously divested or spun-off. Some of these businesses were subsequently sold to third parties. If any of these businesses do not fulfill their future lease

payment obligations under the leases, we could be liable for such leases. The present value of future minimum lease payments for these leases was $11 million at August 31, 2013.

We had outstanding letters of credit totaling $11 million and $9 million at August 31, 2013 and 2012, respectively, the majority of which secure self-insured workers compensation liabilities.

Contractual Obligations

The timing of payments due under our contractual commitments is as follows (in millions):

	Payments Due						
	2014	2015	2016	2017	2018	Thereafter	Total
Long-term debt (principal)	$ —	$ 4	$ 9	$ 9	$ 193	$ 300	$ 515
Interest on long-term debt	20	20	20	20	19	61	160
Operating leases	24	19	16	13	10	39	121
Deferred acquisition purchase price	2	3	—	1	—	—	6
	$ 46	$ 46	$ 45	$ 43	$ 222	$ 400	$ 802

Our operating lease obligations generally relate to amounts due under contracts with third party service providers. These contracts are primarily for real estate leases, information technology services (including software and hardware support services and leases) and telecommunications services. Only those obligations that are not cancelable are included in the table.

We routinely issue purchase orders to numerous vendors for inventory and other supplies. These purchase orders are generally cancelable with reasonable notice to the vendor, and are therefore excluded from this table.

We have long-term obligations related to our deferred compensation, pension and postretirement plans that are excluded from this table, summarized in Note 9, “Employee Benefit Plans” in the notes to consolidated financial statements.

As discussed in Note 10, “Income Taxes” in the notes to consolidated financial statements, we have unrecognized tax benefits of $18 million at August 31, 2013. The liability for unrecognized tax benefits was not included in the table of contractual obligations because the timing of the potential settlements of these uncertain tax positions cannot be reasonably estimated.

Critical Accounting Policies

We prepare our consolidated financial statements in conformity with U.S. generally accepted accounting principles (“GAAP”). This requires management to make estimates and assumptions that affect reported amounts and related disclosures. Actual results could differ from those estimates. The following policies are considered by management to be the most critical in understanding the judgments that are involved in the preparation of our consolidated financial statements and the uncertainties that could impact our results of operations, financial position and cash flows.

Revenue recognition: We recognize revenue when persuasive evidence of an arrangement exists, delivery has occurred, the sales price is fixed or determinable and collectibility of the sales price is reasonably assured. For product sales, delivery does not occur until the passage of title and risk of loss have transferred to the customer (generally when products are shipped). Revenue from services are recognized when the services are provided or ratably over the contract term. We record allowances for discounts, product returns and customer incentives at the time of sale as a reduction of revenue as such allowances can be reliably estimated based on historical experience and known trends. We also offer warranty on our products and accrue for warranty claims at the time of sale based upon the length of the warranty period, historical warranty cost trends and any other related information.

Inventories: Inventories are stated at the lower of cost or market. Inventory cost is determined using the last-in, first-out (“LIFO”) method for a portion of U.S. owned inventory (approximately 21% and 19% of total inventories at August 31, 2013 and 2012, respectively). The first-in, first-out or average cost method is used for all other inventories. If the LIFO method were not used, the inventory balance would be higher than the amount in the consolidated balance sheet by approximately $6 million at August 31, 2013 and $7 million at August 31, 2012. We perform an analysis of the historical sales usage of the individual inventory items on hand and a reserve is recorded to adjust inventory cost to market value. The inventory valuation assumptions used are based on historical experience. We believe that such estimates are made based on consistent and appropriate methods; however, actual results may differ from these estimates under different assumptions or conditions.

Goodwill and Long-Lived Assets:

Annual Impairment Review, Estimates and Sensitivity: Our business acquisition purchase price allocation typically results in recording goodwill and other intangible assets, which are a significant portion of our total assets. On an annual basis, or more frequently if triggering events occur, we compare the estimated fair value of our reporting units to the carrying value to determine if a potential goodwill impairment exists. If the fair value of a reporting unit is less than its carrying value, an impairment loss, if any, is recorded for the difference between the implied fair value and the carrying value of the reporting unit's goodwill. The estimated fair value represents the amount we think a reporting unit could be bought or sold for in a current transaction between willing parties on an arms-length basis.

In estimating the fair value, we generally use a discounted cash flow model, which is dependent on a number of assumptions including estimated future revenues and expenses, weighted average cost of capital, capital expenditures and other variables. The expected future revenue growth rates and operating profit margins are determined after taking into consideration our historical revenue growth rates and earnings levels, our assessment of future market potential and our expectations of future business performance. Under the discounted cash flow approach, the fair value is calculated as the sum of the projected discounted cash flows over a discrete seven year period plus an estimated terminal value. In certain circumstances we also review a market approach in which a trading multiple is applied to a forecasted EBITDA (earnings before interest, income taxes, depreciation and amortization) of the reporting unit to arrive at the estimated fair value.

Our fourth quarter fiscal 2012 impairment calculations included one reporting unit (Mastervolt) in which the carrying value exceeded the estimated fair value (see discussion below on Fiscal 2012 Impairment Charge) and one reporting unit (North American Electrical) that had an estimated fair value that exceeded its carrying value by 13%. The carrying value of the North American Electrical reporting unit was $254 million at August 31, 2012, including $174 million of goodwill from previously completed acquisitions. Key financial assumptions utilized to determine the fair value of the North American Electrical reporting unit included single digit sales growth (including 3% in the terminal year) and a 12.9% discount rate. The estimated future cash flows assumed improved profitability (relative to actual fiscal 2012 results) - driven by savings and efficiencies from the consolidation of manufacturing facilities (which was completed in late fiscal 2012). The assumptions that have the most significant impact on the determination of the fair value of the reporting unit are market valuation multiples, the discount rate and sales growth rates. A 100 basis point increase in the discount rate results in a decrease to the estimated fair value by approximately 9%, while a reduction in the terminal year sales growth rate assumption by 100 basis points would decrease the estimated fair value by approximately 5%. For the remaining seven reporting units, our annual goodwill impairment testing in fiscal 2012 indicated that the estimated fair value of each reporting unit exceeded the carrying value (expressed as a percentage of the carrying value) in excess of 30%.

At August 31, 2013, the fair value of each of our six reporting units from continuing operations exceeded the carrying value in excess of 30%. Key assumptions utilized to estimate the fair value of the reporting units (under a discounted cash flow model) included discount rates (ranging from 10.1% to 11.3%), modest revenue growth rates (including 3% in the terminal year) and a slight improvement in margins as a result of increased operating leverage.

A considerable amount of management judgment and assumptions are required in performing the impairment tests, principally in determining the fair value of each reporting unit and the indefinite lived intangible assets. While we believe our judgments and assumptions are reasonable, different assumptions could change the estimated fair values and, therefore, impairment charges could be required. Significant negative industry or economic trends, disruptions to the Company's business, loss of significant customers, inability to effectively integrate acquired businesses, unexpected significant changes or planned changes in the use of the assets or in entity structure and divestitures may adversely impact the assumptions used in the valuations and ultimately result in future impairment charges.

Fiscal 2012 Impairment Charge: As a result of the uncertainty regarding the long-term strategic fit of the Mastervolt business (a “triggering event” in the fourth quarter), the fiscal 2012 Mastervolt goodwill impairment test utilized both market and income valuation approaches under various scenarios, which were weighted based on the probability of future outcomes, as a single discounted cash flow model with a holding period into perpetuity was no longer appropriate. Key assumptions included market multiples, a higher discount rate (16.6%) relative to our remaining reporting units and the expectation of continued positive cash flows in future years. Financial projections also assumed moderate sales growth in the marine market and a projected rebound in solar sales levels in fiscal 2013, with single digit annual sales growth in future years. The prior Mastervolt valuation was determined solely based on an income valuation approach and utilized a consistent discount rate, terminal year growth rate (3%) and expected long-term profit margin assumption. However, sales and cash flow projections during the discrete projection period in the fiscal 2012 impairment calculation were reduced by approximately 50% (relative to prior assumptions). The assumptions that have the most significant impact on the determination of the fair value of the reporting unit are market valuation multiples, the discount rate and sales growth rates. A 100 basis point increase in the discount rate results in a decrease to the estimated fair value by approximately 7%, while a reduction in the terminal year sales growth rate assumption by 100 basis points would decrease the estimated fair value by approximately 4%. While we use the best available information

to prepare the cash flow assumptions, actual future cash flows or market conditions could differ, resulting in future impairment charges related to goodwill.

Fiscal 2013 Interim Impairment Charge. The material changes in assumptions from the fourth quarter fiscal 2012 impairment tests to third quarter fiscal 2013 Mastervolt and North American Electrical impairment tests were principally a 20% reduction in market valuation multiples (as updated information regarding potential buyers, M&A market conditions and multiples of comparable transactions supported a lower valuation) and lower projected sales volumes, which adversely impacted margin and cash flow assumptions. Uncertainty regarding the long-term growth prospects of the solar market, given its volatile nature and recent industry consolidations/exits by suppliers, also negatively impacted market multiple assumptions (consistent with declining valuations of public solar companies). Our decision to divest the Electrical segment in May 2013 also impacted the impairment calculations, shortening the holding period of the businesses and placing more weighting on the market approach to determine the fair value of the reporting units.

While the Mastervolt marine product line generated sales growth in fiscal 2013, the continued volatility in the solar market, reduced government solar incentives to buyers, increased competitive pricing pressure due to excess inventory throughout the solar industry, coupled with delays in new product launches, business interruption caused by a fire in our research and development lab and the narrowing of our solar product focus collectively resulted in significantly reduced sales projections for the Mastervolt business unit. Similar to other solar industry suppliers, we no longer expect a significant near-term rebound in solar sales that was previously anticipated and therefore revised our financial projections to include lower solar sales levels and reduced profit levels in the future. The revised financial projections and an increase in the discount rate from 16.6% to 19.8% (given the associated risk premium and market outlook) resulted in a $41 million goodwill impairment.

While we believe that our North American Electrical business' diverse electrical products and technologies will continue to generate positive cash flows and earnings, the decision to divest the Electrical segment represented a “triggering event” requiring an interim impairment review. The third quarter fiscal 2013 goodwill impairment charge of $97 million reflected current market conditions (lower projected market multiples), a 16.6% discount rate (compared to 12.9% in the fourth quarter of fiscal 2012) and a consistent expectation regarding moderate to long-term sales growth, including a 3% terminal year growth rate. Sales projections for the North American Electrical business incorporated developments during the first nine months of fiscal 2013, in which sales were below prior year levels by approximately 10%. This decline resulted from the loss of certain low margin retail DIY business, channel inventory reductions across served markets and reduced transformer product line demand from major OEM customers. Despite the reduced sales volumes, profit margins remained consistent with prior projections - the result of controlled spending and the benefits of current year headcount reductions.

To the extent actual proceeds on the ultimate Electrical segment divestiture are less than current projections, or there are changes in the composition of the asset disposal group, further write-downs of the carrying value of the Electrical segment may be required.

Long-Lived Assets: Indefinite lived intangible assets are also subject to annual impairment testing. On an annual basis, the fair value of the indefinite lived assets, based on a relief of royalty income approach, are evaluated to determine if an impairment charge is required. In the fourth quarter of fiscal 2012 we recognized a $26 million impairment of the Mastervolt tradename - the result of a reduction in the assumed royal rate (from 3.5% to 2%) and lower projected long-term Mastervolt solar sales. In the third quarter of fiscal 2013 we also reassessed the recoverability of all Electrical segment tradenames as a result of the plan to divest the segment, and recognized an additional $21 million tradename impairment. The estimated fair value of the tradenames were adversely impacted by further reductions in royalty rate assumptions, an increase in the discount rate and lower projected sales volumes.

We also review long-lived assets for impairment when events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. If such indicators are present, we perform undiscounted operating cash flow analyses to determine if an impairment exists. If an impairment is determined to exist, any related impairment loss is calculated based on fair value. During the third quarter of fiscal 2013, we recognized an $11 million impairment of Electrical segment long-lived assets, representing the excess of the net book value of the assets held for sale over the estimated fair value, less selling costs. We re-assessed our initial estimate of fair value less selling costs (based on additional information available as a result of the sale process) as of August 31, 2013 and recognized an $11 million increase to the carrying value of the Electrical segment assets.

Business Combinations and Purchase Accounting: We account for business combinations using the acquisition method of accounting, and accordingly, the assets and liabilities of the acquired business are recorded at their respective fair values. The excess of the purchase price over the estimated fair value is recorded as goodwill. Assigning fair market values to the assets acquired and liabilities assumed at the date of an acquisition requires knowledge of current market values, and the values of assets in use, and often requires the application of judgment regarding estimates and assumptions. While the ultimate responsibility resides with management, for material acquisitions we retain the services of certified valuation specialists to assist with assigning estimated values to certain acquired assets and assumed liabilities, including intangible assets and tangible long-lived assets. Acquired intangible assets, excluding goodwill, are valued using a discounted cash flow methodology based

on future cash flows specific to the type of intangible asset purchased. This methodology incorporates various estimates and assumptions, the most significant being projected revenue growth rates, earnings margins, and forecasted cash flows based on the discount rate and terminal growth rate.

Employee Benefit Plans: We provide a variety of benefits to employees and former employees, including in some cases, pensions and postretirement health care. Plan assets and obligations are recorded based on a August 31 measurement date utilizing various actuarial assumptions such as discount rates, assumed rates of return and health care cost trend rates. We determine the discount rate assumptions by referencing high-quality long-term bond rates that are matched to the duration of our benefit obligations, with appropriate consideration of local market factors, participant demographics and benefit payment forecasts. At August 31, 2013 and 2012, the weighted-average discount rate on domestic benefit plans was 4.9% and 3.9%, respectively. In estimating the expected return on plan assets, we consider the historical returns on plan assets, forward-looking considerations, inflation assumptions and the impact of the management of the plans' invested assets. Domestic benefit plan assets consist primarily of participating units in mutual funds, index funds and bond funds. The expected return on domestic benefit plan assets was 7.65% and 7.75% at August 31, 2013 and 2012, respectively. A 25 basis point change in the assumptions for the discount rate or expected return on plan assets would not materially change fiscal 2014 domestic benefit plan expense.

We review actuarial assumptions on an annual basis and make modifications based on current rates and trends when appropriate. As required by U.S. GAAP, the effects of any modifications are recorded currently or amortized over future periods. Based on information provided by independent actuaries and other relevant sources, we believe that the assumptions used are reasonable; however, changes in these assumptions could impact our financial position, results of operations or cash flows. See Note 9, "Employee Benefit Plans" in the notes to the consolidated financial statements for further discussion.

Income Taxes: We recognize deferred tax assets and liabilities for the future tax consequences attributable to differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and other loss carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Income tax expense also reflects our best estimates and assumptions regarding, among other things, the level of future taxable income and the effect of various tax planning strategies. However, future tax authority rulings and changes in tax laws, changes in projected levels of taxable income and future tax planning strategies could affect the actual effective tax rate and tax balances recorded

Use of Estimates: We record reserves or allowances for customer rebates, returns and discounts, doubtful accounts, inventory, incurred but not reported medical claims, environmental matters, warranty claims, workers compensation claims, product and non-product litigation and incentive compensation. These reserves require the use of estimates and judgment. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. We believe that such estimates are made on a consistent basis and with appropriate assumptions and methods. However, actual results may differ from these estimates.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risk from changes in foreign currency exchange rates and interest rates and, to a lesser extent, commodities. To reduce such risks, we selectively use financial instruments and other proactive management techniques. All hedging transactions are authorized and executed pursuant to clearly defined policies and procedures, which strictly prohibit the use of financial instruments for trading or speculative purposes. A discussion of our accounting policies for derivative financial instruments is included within Note 1, "Summary of Significant Accounting Policies" in the notes to the consolidated financial statements.

Foreign Currency Risk—We maintain operations in the U.S. and various foreign countries. Our non-U.S. operations, the largest of which are located in the Netherlands, United Kingdom, Mexico and China, have foreign currency risk relating to receipts from customers, payments to suppliers and intercompany transactions denominated in foreign currencies. Under certain conditions, we enter into hedging transactions, primarily forward foreign currency swaps, that enable us to mitigate the potential adverse impact of foreign currency exchange rate risk (see Note 7, "Derivatives" in the notes to the consolidated financial statements for further information). We do not engage in trading or other speculative activities with these transactions, as established policies require that these hedging transactions relate to specific currency exposures.

The strengthening of the U.S. dollar could also result in unfavorable translation effects on our results of operations and financial position as the results of foreign operations are translated into U.S. dollars. To illustrate the potential impact of changes in foreign currency exchange rates on the translation of our results of operations, annual sales and operating profit were remeasured assuming a ten percent reduction in foreign exchange rates compared with the U.S. dollar. Under this assumption, annual sales and operating profit would have been $75 million and $8 million lower, respectively, for the twelve months ended August 31, 2013. This sensitivity analysis assumed that each exchange rate would change in the same direction

relative to the U.S. dollar and excludes the potential effects that changes in foreign currency exchange rates may have on actual sales or price levels. Similarly, a ten percent decline in foreign currency exchange rates relative to the U.S. dollar on our August 31, 2013 financial position would result in a $32 million reduction to equity (accumulated other comprehensive loss), as a result of non U.S. dollar denominated assets and liabilities being translated into U.S. dollars, our reporting currency.

Interest Rate Risk—We have earnings exposure related to interest rate changes on our outstanding floating rate debt that is indexed off of LIBOR interest rates. We periodically utilize interest rate swap agreements to manage overall financing costs and interest rate risk. As discussed in Note 5, "Debt" in the notes to the consolidated financial statements, at August 31, 2011 we were a party to interest rate swap agreements that converted $100 million of floating rate debt to a fixed rate of interest. These swaps were terminated during fiscal 2012 as part of the debt refinancing transaction. A 25 basis point increase or decrease in the applicable interest rates on our variable rate debt as of August 31, 2013 would result in a corresponding change in financing costs of approximately$1 million on an annual basis.

C*ommodity Risk*—We source a wide variety of materials and components from a network of global suppliers. While such materials are typically available from numerous suppliers, commodity raw materials, such as steel, plastic resin and copper, are subject to price fluctuations, which could have a negative impact on our results. We strive to pass along such commodity price increases to customers to avoid profit margin erosion and utilize LEAD initiatives to further mitigate the impact of commodity raw material price fluctuations as improved efficiencies across all locations are achieved.

Item 8. Financial Statements and Supplementary Data

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All other schedules are omitted because they are not applicable, not required or because the required information is included in the consolidated financial statements or notes thereto.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Actuant Corporation:

In our opinion, the consolidated financial statements listed in the accompanying index present fairly, in all material respects, the financial position of Actuant Corporation and its subsidiaries at August 31, 2013 and August 31, 2012, and the results of their operations and their cash flows for each of the three years in the period ended August 31, 2013 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the accompanying index presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of August 31, 2013, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements and financial statement schedule, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting, appearing under Item 9a. Our responsibility is to express opinions on these financial statements, on the financial statement schedule and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As described in “Management’s Report on Internal Control Over Financial Reporting,” management has excluded Viking SeaTech ("Viking") from its assessment of internal control over financial reporting as of August 31, 2013 because the business was acquired by the Company in a purchase business combination on August 27, 2013. We have also excluded Viking from our audit of internal control over financial reporting. Viking is a wholly-owned subsidiary of the Company whose total assets and revenues represent approximately 13% and less than 1% respectively, of the related consolidated financial statement amounts as of and for the year ended August 31, 2013.

/s/ PricewaterhouseCoopers LLP

Milwaukee, Wisconsin
October 25, 2013

ACTUANT CORPORATION

CONSOLIDATED STATEMENTS OF EARNINGS
(in thousands, except per share amounts)

	Year Ended August 31,		
	2013	**2012**	**2011**
Net sales	$ 1,279,742	$ 1,276,521	$ 1,159,310
Cost of products sold	772,792	765,061	694,508
Gross profit	506,950	511,460	464,802
Selling, administrative and engineering expenses	293,866	284,920	270,392
Amortization of intangible assets	22,939	22,026	21,523
Operating profit	190,145	204,514	172,887
Financing costs, net	24,837	29,561	32,119
Debt refinancing costs	—	16,830	—
Other expense, net	2,359	3,493	2,747
Earnings from continuing operations before income tax	162,949	154,630	138,021
Income tax expense	15,372	29,354	27,833
Earnings from continuing operations	147,577	125,276	110,188
Earnings (loss) from discontinued operations, net of income taxes	(117,529)	(37,986)	1,371
Net earnings	$ 30,048	$ 87,290	$ 111,559
Earnings from continuing operations per share:			
Basic	$ 2.02	$ 1.79	$ 1.61
Diluted	$ 1.98	$ 1.68	$ 1.49
Earnings per share:			
Basic	$ 0.41	$ 1.25	$ 1.63
Diluted	$ 0.40	$ 1.17	$ 1.50
Weighted average common shares outstanding:			
Basic	72,979	70,099	68,254
Diluted	74,580	74,940	75,305

The accompanying notes are an integral part of these consolidated financial statements.

ACTUANT CORPORATION

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in thousands)

	August 31,		
	2013	**2012**	**2011**
Net earnings	$ 30,048	$ 87,290	$ 111,559
Other comprehensive income (loss), net of tax			
Foreign currency translation adjustments	(2,918)	(48,571)	46,307
Pension and other postretirement benefit plans			
Funded status adjustment	3,442	(6,358)	2,766
Reclassification adjustment for losses included in net earnings	125	—	2,988
Amortization of actuarial losses included in net periodic pension cost	360	183	187
	3,927	(6,175)	5,941
Cash flow hedges			
Unrealized net loss arising during period	(140)	(80)	(2,822)
Reclassification adjustment for loss (gain) included in net earnings	(57)	3,033	—
	(197)	2,953	(2,822)
Total other comprehensive income (loss), net of tax	812	(51,793)	49,426
Comprehensive income	$ 30,860	$ 35,497	$ 160,985

The accompanying notes are an integral part of these consolidated financial statements.

ACTUANT CORPORATION

CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share amounts)

	August 31, 2013	August 31, 2012
ASSETS		
Current assets		
Cash and cash equivalents	$ 103,986	$ 68,184
Accounts receivable, net	219,075	234,756
Inventories, net	142,549	211,690
Deferred income taxes	18,796	22,583
Prepaid expenses and other current assets	28,228	24,068
Assets of discontinued operations	272,606	—
Total current assets	785,240	561,281
Property, plant and equipment		
Land, buildings, and improvements	52,669	49,866
Machinery and equipment	305,200	242,718
Gross property, plant and equipment	357,869	292,584
Less: Accumulated depreciation	(156,373)	(176,700)
Property, plant and equipment, net	201,496	115,884
Goodwill	734,952	866,412
Other intangibles, net	376,692	445,884
Other long-term assets	20,952	17,658
Total assets	$ 2,119,332	$ 2,007,119
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Trade accounts payable	$ 154,049	$ 174,746
Accrued compensation and benefits	43,800	58,817
Current maturities of debt	—	7,500
Income taxes payable	14,014	5,778
Other current liabilities	56,899	72,165
Liabilities of discontinued operations	53,080	—
Total current liabilities	321,842	319,006
Long-term debt	515,000	390,000
Deferred income taxes	115,865	132,653
Pension and postretirement benefit liabilities	20,698	26,442
Other long-term liabilities	65,660	87,182
Shareholders' equity		
Class A common stock, $0.20 par value per share, authorized 168,000,000 shares, issued 77,001,144 and 75,519,079 shares, respectively	15,399	15,102
Additional paid-in capital	49,758	7,725
Treasury stock, at cost, 3,983,513 shares and 2,658,751 shares, respectively	(104,915)	(63,083)
Retained earnings	1,188,685	1,161,564
Accumulated other comprehensive loss	(68,660)	(69,472)
Stock held in trust	(3,124)	(2,689)
Deferred compensation liability	3,124	2,689
Total shareholders' equity	1,080,267	1,051,836
Total liabilities and shareholders' equity	$ 2,119,332	$ 2,007,119

The accompanying notes are an integral part of these consolidated financial statements.

ACTUANT CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended August 31,		
	2013	**2012**	**2011**
Operating activities			
Net earnings	$ 30,048	$ 87,290	$ 111,559
Adjustments to reconcile net earnings to cash provided by operating activities:			
Non-cash items:			
Depreciation and amortization	53,902	54,263	52,996
Net loss on disposal of business	—	—	11,695
Stock-based compensation expense	13,440	13,346	10,758
Provision (benefit) for deferred income taxes	(44,265)	(10,524)	6,480
Amortization of debt discount and debt issuance costs	1,940	1,990	2,904
Impairment charges	158,817	62,464	—
Non-cash debt refinancing costs	—	2,254	—
Other non-cash adjustments	328	—	(46)
Changes in components of working capital and other:			
Accounts receivable	(10,925)	(12,310)	(2,564)
Inventories	13,714	11,532	(29,909)
Prepaid expenses and other assets	(4,603)	(2,164)	5,876
Trade accounts payable	(9,279)	5,902	7,158
Income taxes payable	594	(17,903)	4,155
Accrued compensation and benefits	(14,256)	(6,292)	12,178
Other accrued liabilities	4,334	(7,519)	(21,674)
Cash provided by operating activities	193,789	182,329	171,566
Investing activities			
Proceeds from sale of property, plant and equipment	1,621	8,501	1,779
Proceeds from sale of business	4,854	—	3,463
Capital expenditures	(23,668)	(22,740)	(23,096)
Business acquisitions, net of cash acquired	(235,489)	(69,309)	(313,106)
Cash used in investing activities	(252,682)	(83,548)	(330,960)
Financing activities			
Net borrowings (repayments) on revolver	125,000	(58,167)	58,204
Principal repayments on term loans	(7,500)	(2,500)	—
Proceeds from issuance of term loans	—	—	100,000
Repurchases of 2% Convertible Notes	—	(102)	(34)
Proceeds from issuance of 5.625% Senior Notes	—	300,000	—
Redemption of 6.875% Senior Notes	—	(250,000)	—
Payment of deferred acquisition consideration	(5,378)	(958)	(350)
Debt issuance costs	(2,035)	(5,490)	(5,197)
Purchase of treasury shares	(41,832)	(63,083)	—
Stock option exercises, related tax benefits and other	33,261	10,913	8,235
Cash dividend	(2,911)	(2,748)	(2,716)
Cash provided by (used in) financing activities	98,605	(72,135)	158,142
Effect of exchange rate changes on cash	(3,910)	(2,683)	5,251
Net increase in cash and cash equivalents	35,802	23,963	3,999
Cash and cash equivalents—beginning of year	68,184	44,221	40,222
Cash and cash equivalents—end of year	$ 103,986	$ 68,184	$ 44,221

The accompanying notes are an integral part of these consolidated financial statements.

ACTUANT CORPORATION

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(in thousands)

	Common Stock		Additional Paid-in Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Stock Held in Trust	Deferred Compensation Liability	Total Shareholders' Equity
	Issued Shares	Amount							
Balance at August 31, 2010	68,056	$13,610	$(175,157)	$ —	$ 968,373	$ (67,105)	$ (1,934)	$ 1,934	$ 739,721
Net earnings	—	—	—	—	111,559	—	—	—	111,559
Other comprehensive income, net of tax	—	—	—	—	—	49,426	—	—	49,426
Company stock contribution to employee benefit plans and other	138	29	3,050	—	—	—	—	—	3,079
Restricted stock awards	(31)	(7)	7	—	—	—	—	—	—
Cash dividend ($0.04 per share)	—	—	—	—	(2,740)	—	—	—	(2,740)
Stock based compensation expense	—	—	11,036	—	—	—	—	—	11,036
Stock option exercises	484	97	4,227	—	—	—	—	—	4,324
Excess tax benefit on stock option exercises	—	—	2,364	—	—	—	—	—	2,364
Stock issued to, acquired for and distributed from rabbi trust	10	2	242	—	—	—	(203)	203	244
Balance at August 31, 2011	68,657	13,731	(154,231)	—	1,077,192	(17,679)	(2,137)	2,137	919,013
Net earnings	—	—	—	—	87,290	—	—	—	87,290
Other comprehensive income, net of tax	—	—	—	—	—	(51,793)	—	—	(51,793)
Company stock contribution to employee benefit plans and other	277	55	5,530	—	—	—	—	—	5,585
Conversion of 2% Convertible Notes	5,962	1,192	133,757	—	—	—	—	—	134,949
Restricted stock awards	17	3	(3)	—	—	—	—	—	—
Cash dividend ($0.04 per share)	—	—	—	—	(2,918)	—	—	—	(2,918)
Treasury stock repurchases	—	—	—	(63,083)	—	—	—	—	(63,083)
Stock based compensation expense	—	—	13,346	—	—	—	—	—	13,346
Stock option exercises	580	116	6,434	—	—	—	—	—	6,550
Excess tax benefit on stock option exercises	—	—	2,349	—	—	—	—	—	2,349
Stock issued to, acquired for and distributed from rabbi trust	26	5	543	—	—	—	(552)	552	548
Balance at August 31, 2012	75,519	15,102	7,725	(63,083)	1,161,564	(69,472)	(2,689)	2,689	1,051,836
Net earnings	—	—	—	—	30,048	—	—	—	30,048
Other comprehensive income, net of tax	—	—	—	—	—	812	—	—	812
Company stock contribution to employee benefit plans and other	21	5	592	—	—	—	—	—	597
Restricted stock awards	169	34	(34)	—	—	—	—	—	—
Cash dividend ($0.04 per share)	—	—	—	—	(2,927)	—	—	—	(2,927)
Treasury stock repurchases	—	—	—	(41,832)	—	—	—	—	(41,832)
Stock based compensation expense	—	—	13,440	—	—	—	—	—	13,440
Stock option exercises	1,276	255	24,585	—	—	—	—	—	24,840
Excess tax benefit on stock option exercises	—	—	2,954	—	—	—	—	—	2,954
Stock issued to, acquired for and distributed from rabbi trust	16	3	496	—	—	—	(435)	435	499
Balance at August 31, 2013	77,001	$15,399	$ 49,758	$(104,915)	$1,188,685	$ (68,660)	$ (3,124)	$ 3,124	$ 1,080,267

The accompanying notes are an integral part of these consolidated financial statements.

ACTUANT CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

Nature of Operations: Actuant Corporation ("Actuant" or the "Company") is a global manufacturer of a broad range of industrial products and systems, organized into three reportable segments. The Industrial segment is primarily involved in the design, manufacture and distribution of branded hydraulic and mechanical tools to the maintenance, industrial, infrastructure and production automation markets. The Energy segment provides joint integrity products and services, customized offshore vessel mooring solutions, as well as rope and cable solutions to the global oil & gas, power generation and other energy markets. The Engineered Solutions segment provides highly engineered position and motion control systems to OEMs in various vehicle markets, as well as a variety of other products to the industrial and agricultural markets.

Consolidation and Presentation: The consolidated financial statements include the accounts of the Company and its subsidiaries. Actuant consolidates companies in which it owns or controls more than fifty percent of the voting shares. The results of companies acquired or disposed of during the fiscal year are included in the consolidated financial statements from the effective date of acquisition or until the date of divestiture. All intercompany balances, transactions and profits have been eliminated in consolidation. Certain prior year amounts have been reclassified to conform to current year presentation.

Cash Equivalents: The Company considers all highly liquid investments with original maturities of 90 days or less to be cash equivalents.

Inventories: Inventories are comprised of material, direct labor and manufacturing overhead, and are stated at the lower of cost or market. Inventory cost is determined using the last-in, first-out ("LIFO") method for a portion of the U.S. owned inventory (approximately 21% and 19% of total inventories in 2013 and 2012, respectively). The first-in, first-out or average cost methods are used for all other inventories. If the LIFO method were not used, inventory balances would be higher than the amounts in the consolidated balance sheets by approximately $5.8 million and $6.6 million at August 31, 2013 and 2012, respectively.

The nature of the Company's products is such that they generally have a very short production cycle. Consequently, the amount of work-in-process at any point in time is minimal. In addition, many parts or components are ultimately either sold individually or assembled with other parts making a distinction between raw materials and finished goods impractical to determine. Other locations maintain and manage their inventories using a job cost system where the distinction of categories of inventory by state of completion is also not available. As a result of these factors, it is neither practical nor cost effective to segregate the amounts of raw materials, work-in-process or finished goods inventories at the respective balance sheet dates, as segregation would only be possible as the result of physical inventories which are taken at dates different from the balance sheet dates.

Property, Plant and Equipment: Property, plant and equipment are stated at cost. Plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets, ranging from ten to forty years for buildings and improvements andtwo to fifteen years for machinery and equipment. Leasehold improvements are amortized over the life of the related asset or the term of the lease, whichever is shorter.

Impairment of Long-Lived and Other Intangible Assets: The Company evaluates whether events and circumstances have occurred that indicate the remaining estimated useful life of long-lived and finite-lived intangible assets may warrant revision or that the remaining balance of the asset may not be recoverable. The measurement of possible impairment is generally estimated by the ability to recover the balance of assets from expected future operating cash flows on an undiscounted basis. If impairment is determined to exist, any related impairment loss is calculated based on the fair value of the asset. See Note 3, "Discontinued Operations" for details on long-lived asset impairment charges recognized in fiscal 2012 and 2013.

Product Warranty Costs: The Company generally offers its customers a warranty on products sold, although warranty periods may vary by product type and application. During fiscal 2012 the warranty reserve was reduced by $7.7 million, the result of a purchase accounting adjustment to Mastervolt's initial estimated warranty reserve. The reserve for future warranty claims is based on historical claim rates and current warranty cost experience. The following is a reconciliation of the changes in product warranty reserves for fiscal years 2013 and 2012 (in thousands):

	2013	2012
Beginning balance	$ 12,869	$ 23,707
Warranty reserves of acquired businesses	981	338
Purchase accounting adjustments	—	(7,726)
Provision for warranties	7,907	9,219
Warranty payments and costs incurred	(11,616)	(10,893)
Discontinued operations reclassification	(3,107)	—
Impact of changes in foreign currency rates	379	(1,776)
Ending balance	$ 7,413	$ 12,869

Revenue Recognition: The Company recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred, the sales price is fixed or determinable and collectibility of the sales price is reasonably assured. For product sales, delivery does not occur until the passage of title and risk of loss have transferred to the customer (generally when products are shipped). Revenue from services is recognized when the services are provided or ratably over the contract term. Customer sales are recorded net of allowances for returns and discounts, which are recognized as a deduction from sales at the time of sale. The Company commits to one-time or on-going trade discounts and promotions with customers that require the Company to estimate and accrue the ultimate costs of such programs. The Company maintains an accrual at the end of each period for the earned, but unpaid costs related to the programs. The Company generally does not require collateral or other security for receivables and provides for an allowance for doubtful accounts based on historical experience and a review of its existing receivables. Accounts Receivable are stated net of an allowance for doubtful accounts of $3.7 million and $4.4 million at August 31, 2013 and 2012, respectively.

Shipping and Handling Costs: The Company records costs associated with shipping its products in cost of products sold.

Research and Development Costs: Research and development costs consist primarily of an allocation of overall engineering and development resources and are expensed as incurred. Such costs incurred in the development of new products or significant improvements to existing products were $21.0 million, $17.1 million and $12.5 million in fiscal 2013, 2012 and 2011, respectively. The Company also incurs significant costs in connection with fulfilling custom orders and developing unique solutions for unique customer needs which are not included in these research and development expense totals.

Other Income/Expense: Other income and expense primarily consists of foreign exchange transaction losses of$2.7 million, $3.9 million and $3.3 million in fiscal 2013, 2012 and 2011, respectively.

Financing Costs: Financing costs represent interest expense, financing fees and amortization of debt issuance costs, net of interest income.

Income Taxes: The provision for income taxes includes federal, state, local and non-U.S. taxes on income. Tax credits, primarily for non-U.S. earnings, are recognized as a reduction of the provision for income taxes in the year in which they are available for U.S. tax purposes. Deferred taxes are provided on temporary differences between assets and liabilities for financial and tax reporting purposes as measured by enacted tax rates expected to apply when temporary differences are settled or realized. Future tax benefits are recognized to the extent that realization of those benefits is considered to be more likely than not. A valuation allowance is established for deferred tax assets for which realization is not more likely than not of being realized. The Company has not provided for any residual U.S. income taxes on unremitted earnings of non-U.S. subsidiaries as such earnings are intended to be indefinitely reinvested. The Company recognizes interest and penalties related to unrecognized tax benefits in income tax expense.

Foreign Currency Translation: The financial statements of the Company’s foreign operations are translated into U.S. dollars using the exchange rate at each balance sheet date for assets and liabilities and an appropriate weighted average exchange rate for each applicable period for revenues and expenses. Translation adjustments are reflected in the consolidated balance sheets and consolidated statements of shareholders' equity caption “Accumulated Other Comprehensive Loss.”

Prior Period Correction: The Company recorded a $10.6 million adjustment in the fourth quarter of fiscal 2013 to properly state deferred income tax balances associated with its equity compensation programs. This adjustment, which resulted in a reduction to both long-term deferred income tax liabilities and income tax expense, was the result of the accumulation of immaterial errors over multiple prior periods. The correction is not material to current or previously issued financial statements.

Use of Estimates: The Company has recorded reserves or allowances for customer rebates, returns and discounts, doubtful accounts, inventory, incurred but not reported medical claims, environmental matters, warranty claims, workers compensation claims, product and non-product litigation and incentive compensation. These reserves require the use of estimates and judgment. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. The Company believes that such estimates are made with consistent and appropriate assumptions. Actual results may differ from these estimates under different assumptions or conditions.

Note 2. Acquisitions

The Company completed several business acquisitions during the last three years. All of the acquisitions resulted in the recognition of goodwill in the Company's consolidated financial statements because the purchase prices reflect the future earnings and cash flow potential of these companies, as well as the complementary strategic fit and resulting synergies these businesses bring to existing operations. The Company incurred acquisition transaction costs of $3.7 million, $1.4 million and $1.9 million in fiscal 2013, 2012 and 2011, respectively, related to various business acquisition activities.

The Company makes an initial allocation of the purchase price, at the date of acquisition, based upon its understanding of the fair value of the acquired assets and assumed liabilities. The Company obtains this information during due diligence and through other sources. If additional information is obtained about these assets and liabilities within the measurement period (not to exceed one year from the date of acquisition), through asset appraisals and learning more about the newly acquired business, the Company will refine its estimates of fair value and adjust the purchase price allocation. During fiscal 2013, goodwill related to prior year acquisitions increased by less than $0.1 million, the net result of purchase accounting adjustments to the fair value of acquired assets and assumed liabilities.

Fiscal 2013

The Company acquired Viking SeaTech ("Viking") for $235.4 million on August 27, 2013. Viking expands the Energy segment's geographic presence, technologies and services provided to the global energy market. Headquartered in Aberdeen, Scotland, Viking is a support specialist providing a comprehensive range of equipment and services to the offshore oil & gas industry. Viking serves customers globally with primary markets in the North Sea (U.K. and Norway) and Australia. The majority of Viking's revenue is derived from offshore vessel mooring solutions which include design, rental, installation and inspection. Viking also provides survey, manpower and other marine services to offshore operators, drillers and energy asset owners. The purchase price allocation for this acquisition resulted in the recognition of $87.7 million of goodwill (which is not deductible for tax purposes) and $65.4 million of intangible assets, including $40.5 million of customer relationships and $24.9 million of tradenames.

The following table summarizes the estimated fair values of the assets acquired and the liabilities assumed at the date of the Viking acquisition (in thousands):

	Total
Accounts receivable, net	$ 17,225
Inventories	1,582
Property, plant & equipment	99,776
Goodwill	87,734
Other intangible assets	65,360
Other assets	1,755
Trade accounts payable	(7,664)
Deferred income taxes	(25,923)
Other liabilities	(4,439)
Cash paid, net of cash acquired	$ 235,406

Fiscal 2012

During fiscal 2012, the Company completed two maximatecc tuck-in acquisitions that further expand the geographic presence, product offerings and technologies of the Engineered Solutions segment. On July 20, 2012 the Company completed the acquisition of the stock of CrossControl AB ("CrossControl") for $40.6 million of cash, plus potential contingent consideration. CrossControl, headquartered in Sweden, provides advanced electronic solutions for human-machine interaction, vehicle control and mobile connectivity in critical environments. On March 28, 2012 the Company acquired the stock of

Turotest Medidores Ltda ("Turotest") for $8.1 million of cash and $5.3 million of deferred purchase price. Turotest, headquartered in Brazil, designs and manufactures instrument panels and gauges serving the Brazilian agriculture and industrial markets.

In addition, on February 10, 2012 the Company completed the acquisition of the stock of Jeyco Pty Ltd ("Jeyco") for $20.7 million of cash. This Cortland (Energy segment) tuck-in acquisition, designs and provides specialized mooring, rigging and towing systems and services to the offshore oil & gas industry in Australia and other international markets. Additionally, Jeyco's products are used in a variety of applications for other markets including cyclone mooring and marine, defense and mining tow systems.

The combined purchase price allocation for all three fiscal 2012 acquisitions resulted in the recognition of $40.1 million of goodwill (which is not deductible for tax purposes) and $32.8 million of intangible assets, including $24.2 million of customer relationships, $5.7 million of tradenames, $2.2 million of technologies and $0.7 million of non-compete agreements.

Fiscal 2011

On June 2, 2011, the Company completed the acquisition of the stock of Weasler Engineering, Inc. ("Weasler") for $153.2 million of cash. The purchase consideration was funded through the Company's existing cash balances and borrowings under the revolving credit facility. Weasler, which is headquartered in Wisconsin, is a global designer and manufacturer of highly engineered drive train components and systems for agriculture, lawn & turf and industrial equipment. Weasler also supplies a variety of torque limiters, high-end gear boxes, clutches and torsional dampers.

On December 10, 2010, the Company completed the acquisition of the stock of Mastervolt International Holding B.V. ("Mastervolt") for $158.2 million of cash. Mastervolt, which is headquartered in The Netherlands, is a designer, developer and global supplier of highly innovative, branded power electronics, primarily for the solar and marine markets.

The combined purchase price allocations for the two fiscal 2011 acquisitions resulted in the recognition of $152.4 million of goodwill (which is not deductible for tax purposes) and $157.5 million of intangible assets, including $81.5 million of customer relationships, $69.9 million of tradenames, $5.5 million of patents and technologies and $0.6 million of non-compete agreements.

The following unaudited pro forma results of operations of the Company give effect to all acquisitions completed in the last three years as though the transactions and related financing activities had occurred on September 1, 2010 (in thousands, except per share amounts).

	Year Ended August 31,		
	2013	2012	2011
Net sales			
As reported	$ 1,279,742	$ 1,276,521	$ 1,159,310
Pro forma	1,365,115	1,419,173	1,393,061
Earnings from continuing operations			
As reported	$ 147,577	$ 125,276	$ 110,188
Pro forma	153,946	134,581	125,785
Basic earnings per share from continuing operations			
As reported	$ 2.02	$ 1.79	$ 1.61
Pro forma	2.11	1.92	1.84
Diluted earnings per share from continuing operations			
As reported	$ 1.98	$ 1.68	$ 1.49
Pro forma	2.06	1.81	1.69

Note 3. Discontinued Operations

The Electrical segment is involved in the design, manufacture and distribution of a broad range of electrical products to the retail DIY, wholesale, OEM, solar, utility, marine and other harsh environment markets. The results of operations for the Electrical segment have been reported as discontinued operations in the accompanying consolidated statements of earnings for all periods presented as a result of the Company announcing its intention to divest this segment in the third quarter of fiscal 2013. The following table summarizes the results of the Electrical segment for each of the last three fiscal years (in thousands):

	Year Ended August 31,		
	2013	2012	2011
Net sales	$ 286,308	$ 328,821	$ 335,318
Operating profit	34,536	28,148	20,029
Impairment charge	(159,104)	(62,464)	—
Net loss on disposal (1)	—	—	(15,829)
Income tax benefit (expense)	7,039	(3,670)	(2,829)
Income (loss) from discontinued operations, net of taxes	$ (117,529)	$ (37,986)	$ 1,371

(1) During the second quarter of fiscal 2011, the Company completed the sale of the European Electrical business for total cash proceeds of $3.5 million, net of transaction costs. As a result of the sale transaction, the Company recognized a pre-tax loss on disposal of $15.8 million, including an $11.4 million charge to cover future lease payments on an unfavorable real estate lease used by the divested business.

During the third quarter of fiscal 2013, the Company committed to a plan to divest the entire Electrical segment. The divestiture will allow the Company to streamline its business portfolio and refocus on the remaining three segments in a way that better positions the Company to take advantage of its core competencies, current business model and global growth trends. As a result, the Company recognized a non-cash impairment charge in fiscal 2013 of $159.1 million, including a write-down of $137.8 million of goodwill and $21.3 million of indefinite lived intangible assets (tradename). The impairment charge represents the excess of the net book value of the assets held for sale over the estimated fair value, less selling costs. As a result of the impairment charge, there is no remaining goodwill associated with the Mastervolt business and $76.9 million for North American Electrical. The following is a summary of the August 31, 2013 assets and liabilities of the Electrical segment (in thousands):

Accounts receivable, net	$ 41,247
Inventories, net	55,142
Property, plant & equipment, net	9,545
Goodwill	76,877
Other intangible assets, net	84,387
Other assets	5,408
Assets of discontinued operations	$ 272,606

Trade accounts payable	$ 19,824
Other current liabilities	12,984
Deferred income taxes	9,376
Other long-term liabilities	10,896
Liabilities of discontinued operations	$ 53,080

During the fourth quarter of fiscal 2012, the Company recognized a $62.5 million pre-tax non-cash impairment charge related to the goodwill and indefinite lived intangible assets of the Electrical segment's Mastervolt business. The impairment was the result of business underperformance and volatility in the solar market. During the fourth quarter of fiscal 2012, industry-wide solar inverter inventory levels and production capacity exceeded demand, significant pricing competition existed and less favorable government incentive schemes were announced and implemented in Mastervolt's served European markets. This challenging economic and competitive environment, as well as uncertainty regarding the long-term strategic fit of the

business had a significant adverse impact on projected long-term Mastervolt sales and profits. The impairment charge consisted of the write-down of $36.6 million of goodwill and $25.9 million of indefinite lived intangible assets (tradenames).

Note 4. Goodwill and Other Intangible Assets

Goodwill represents the excess of the purchase price over the fair value of net assets acquired in business combinations. Goodwill is not subject to amortization and is tested for impairment annually or more frequently if events or changes in circumstances indicate that the assets might be impaired. Impairment tests are performed by the Company annually in the fourth quarter of each fiscal year. Total cumulative goodwill impairment charges for continuing operations were $22.2 million at August 31, 2013 and 2012. The changes in the carrying amount of goodwill for the years ended August 31, 2013 and 2012 are as follows (in thousands):

	Industrial	Energy	Electrical	Engineered Solutions	Total
Balance as of August 31, 2011	$ 85,409	$ 252,285	$ 260,777	$ 289,995	$ 888,466
Businesses acquired	—	14,101	—	26,188	40,289
Purchase accounting adjustments	—	—	(3,995)	715	(3,280)
Impairment charge	—	—	(36,557)	—	(36,557)
Impact of changes in foreign currency rates	(4,005)	(6,865)	(6,355)	(5,281)	(22,506)
Balance as of August 31, 2012	81,404	259,521	213,870	311,617	866,412
Business acquired	—	87,734	—	—	87,734
Purchase accounting adjustments	—	117	—	(100)	17
Impairment charge	—	—	(137,804)	—	(137,804)
Reclassification to discontinued operations	—	—	(76,877)	—	(76,877)
Divestiture of Nielsen Sessions business	—	—	—	(2,556)	(2,556)
Impact of changes in foreign currency rates	1,207	(5,469)	811	1,477	(1,974)
Balance as of August 31, 2013	$ 82,611	$ 341,903	$ —	$ 310,438	$ 734,952

The gross carrying amount and accumulated amortization of the Company's intangible assets are as follows (in thousands):

	Weighted Average Amortization Period (Years)	August 31, 2013			August 31, 2012		
		Gross Carrying Amount	Accumulated Amortization	Net Book Value	Gross Carrying Amount	Accumulated Amortization	Net Book Value
Amortizable intangible assets:							
Customer relationships	15	$ 318,143	$ 95,215	$ 222,928	$ 347,739	$ 93,768	$ 253,971
Patents	11	30,564	18,747	11,817	52,851	34,842	18,009
Trademarks and tradenames	19	24,088	7,356	16,732	43,820	8,670	35,150
Non-compete agreements and other	4	7,034	6,458	576	7,677	6,316	1,361
Indefinite lived intangible assets:							
Tradenames	N/A	124,639	—	124,639	137,393	—	137,393
		$ 504,468	$ 127,776	$ 376,692	$ 589,480	$ 143,596	$ 445,884

Changes in the gross carrying value of intangible assets result from foreign currency exchange rate changes, impairment charges and the reclassification of Electrical segment intangible assets to discontinued operations (refer to Note 3, "Discontinued Operations"). Amortization expense recorded on intangible assets for the years ended August 31, 2013, 2012 and 2011 was $22.9 million, $22.0 million and $21.5 million, respectively. Amortization expense for future years is estimated to be:$24.6 million in each of fiscal years 2014 and 2015, $24.5 million in fiscal 2016, $23.4 million in fiscal 2017, $23.0 million in fiscal 2018 and $132.0 million in aggregate thereafter. The future amortization expense amounts represent estimates, which may change based on future acquisitions, changes in foreign currency exchange rates or other factors.

Note 5. Debt

The following is a summary of the Company's long-term indebtedness (in thousands):

	August 31,	
	2013	2012
Senior Credit Facility		
Revolver	$ 125,000	$ —
Term Loan	90,000	97,500
	215,000	97,500
5.625% Senior Notes	300,000	300,000
Total Senior Indebtedness	515,000	397,500
Less: current maturities of long-term debt	—	(7,500)
Total long-term debt, less current maturities	$ 515,000	$ 390,000

The Company's Senior Credit Facility, which matures on July 18, 2018, provides a $600.0 million revolving credit facility, a $90.0 million term loan and a $350.0 million expansion option, subject to certain conditions. Borrowings are subject to a pricing grid, which can result in increases or decreases to the borrowing spread, depending on the Company's leverage ratio, ranging from 1.00% to 2.50% in the case of loans bearing interest at LIBOR and from 0.00% to 1.50% in the case of loans bearing interest at the base rate. As of August 31, 2013, the borrowing spread on LIBOR based borrowings was 1.25% (aggregating to approximately 1.50%). In addition, a non-use fee is payable quarterly on the average unused credit line under the revolver ranging from 0.15% to 0.40% per annum. As of August 31, 2013 the available and unused credit line under the revolver was $471.6 million. Quarterly term loan principal payments of $1.1 million begin on September 30, 2014, increase to $2.3 million per quarter on September 30, 2015, with the remaining principal due at maturity. The Senior Credit Facility, which is secured by substantially all of the Company's domestic personal property assets, also contains customary limits and restrictions concerning investments, sales of assets, liens on assets, dividends and other payments. The two financial covenants included in the Senior Credit Facility agreement are a maximum leverage ratio of 3.75:1 and a minimum interest coverage ratio of 3.50:1. The Company was in compliance with its financial covenants at August 31, 2013.

On April 16, 2012, the Company issued $300.0 million of 5.625% Senior Notes due 2022 (the "Senior Notes"). The Senior Notes require no principal installments prior to their June 15, 2022 maturity, require semiannual interest payments in December and June of each year and contain certain financial and non-financial covenants. The Company utilized the net proceeds from this issuance to fund the repurchase of all its then-outstanding $250 million 6.875% Senior Notes due 2017 at a cost of 104%, or $260.4 million.

In November 2003, the Company issued $150.0 million of Senior Subordinated Convertible Debentures due November 15, 2023 (the "2% Convertible Notes"). Prior to fiscal 2012, the Company had repurchased (for cash) $32.2 million of 2% Convertible Notes at an average price of 99.3% of par value. In addition, $0.2 million of 2% Convertible Notes were converted into shares of the Company's Class A common stock in the first quarter of fiscal 2012. In March 2012, the Company called all of the remaining $117.6 million of 2% Convertible Notes outstanding for cash at par. As a result of the call notice, substantially all of the holders of the 2% Convertible Notes converted them into newly issued shares of the Company's Class A common stock, at a conversion rate of 50.6554 shares per $1,000 of principal amount (resulting in the issuance of 5,951,440 shares of common stock), while the remaining $0.1 million of 2% Convertible Notes were repurchased for cash. The impact of the additional share issuance was already included in the diluted earnings per share calculation on an if-converted method. As a result of the 2% Convertible Notes being redeemed for the Company's common stock, $15.6 million of related prior income tax benefit was recaptured and repaid in the fourth quarter of fiscal 2012.

In fiscal 2011, the Company entered into interest rate swap contracts that had a total notional value of $100.0 million and maturity dates of March 23, 2016. The interest rate swap contracts paid the Company variable interest at the three month LIBOR rate, while the Company paid the counterparties a fixed interest rate of approximately 2.06%. These interest rate swap contracts were entered into to synthetically convert $100.0 million of the Senior Credit Facility variable rate borrowings into fixed rate debt. In connection with the debt refinancing transactions discussed above, the Company terminated the interest rate swap contracts on April 3, 2012, which resulted in a cash payment to the counterparty of $4.1 million, in full settlement of the fair value of the contracts.

In connection with the debt refinancing activities, during the year ended August 31, 2012, the Company recognized a $16.8 million pre-tax debt refinancing charge, which included $10.4 million of tender premium paid to holders of the 6.875%

Senior Notes, a $2.3 million write-off of deferred financing costs and debt discount and a$4.1 million charge related to the termination of the interest rate swap agreements. The related tax benefit on the debt refinancing charge was $6.3 million.

The Company made cash interest payments of$20.8 million, $25.9 million and $26.1 million in fiscal 2013, 2012 and 2011, respectively.

Note 6. Fair Value Measurements

The Company assesses the inputs used to measure the fair value of financial assets and liabilities using a three-tier hierarchy. Level 1 inputs include quoted prices for identical instruments and are the most observable. Level 2 inputs include quoted prices for similar assets and observable inputs such as interest rates, foreign currency exchange rates, commodity rates and yield curves. Level 3 inputs are not observable in the market and include management's own judgments about the assumptions market participants would use in pricing the asset or liability. The following financial assets and liabilities, measured at fair value, are included in the consolidated balance sheet (in thousands):

	August 31,	
	2013	2012
Level 1 Valuation:		
Cash equivalents	$ 1,092	$ 5,154
Investments	1,793	1,602
Level 2 Valuation:		
Foreign currency forward contracts	$ 143	$ 945

At August 31, 2012, Mastervolt's goodwill ($40.0 million) and tradename ($13.6 million) were written down to estimated fair value, resulting in a non-cash impairment charge of $62.5 million. In order to arrive at the implied fair value of goodwill, the Company assigned the fair value to all of the assets and liabilities of the reporting unit as if the reporting unit had been acquired in a business combination. The tradename was valued using the relief of royalty income approach. At August 31, 2013, the assets and liabilities of the Electrical segment are classified as discontinued operations and therefore are valued at fair value, less cost to sell. In determining the fair value of the Electrical segment the Company utilized generally accepted valuation techniques, which required the Company to make assumptions and apply judgment to estimate macro economic factors, industry and market trends and the future profitability of current business strategies. These represent Level 3 assets measured at fair value on a nonrecurring basis.

The fair value of the Company's cash, accounts receivable, accounts payable and its variable rate long-term debt approximated book value at August 31,2013 and 2012 due to their short-term nature and the fact that the interest rates approximated year-end market rates. The fair value of the Company's outstanding $300.0 million of 5.625% Senior Notes was $300.8 million and $309.8 million at August 31, 2013 and 2012, respectively. The fair value of the Senior Notes was based on quoted inactive market prices and are therefore classified as Level 2 within the valuation hierarchy.

Note 7. Derivatives

All derivatives are recognized in the balance sheet at their estimated fair value. On the date the Company enters into a derivative contract, it designates the derivative as a hedge of a recognized asset or liability (fair value hedge) or a hedge of a forecasted transaction or of the variability of cash flows to be received or paid related to a recognized asset or liability (cash flow hedge). The Company does not enter into derivatives for speculative purposes. Changes in the value of fair value hedges and non-designated hedges are recorded in earnings along with the gain or loss on the hedged asset or liability, while changes in the value of cash flow hedges are recorded in accumulated other comprehensive loss, until earnings are affected by the variability of cash flows. The fair value of outstanding foreign currency derivatives was an asset of $0.1 million and $0.9 million at August 31, 2013 and 2012, respectively.

The Company is exposed to market risk for changes in foreign currency exchange rates due to the global nature of its operations. In order to manage this risk the Company has hedged portions of its forecasted inventory purchases that are denominated in non-functional currencies (cash flow hedges). The U.S. dollar equivalent notional value of these foreign currency forward contracts was $9.7 million and $3.0 million, at August 31, 2013 and 2012, respectively. At August 31, 2013, unrealized losses of $0.1 million on these contracts were included in accumulated other comprehensive loss and are expected to be reclassified to earnings during the next twelve months.

The Company also utilizes forward foreign currency exchange contracts to reduce the exchange rate risk associated with recognized non-functional currency balances. The effects of changes in exchange rates are reflected concurrently in earnings for

both the fair value of the foreign currency exchange contracts and the related non-functional currency asset or liability. The U.S. dollar equivalent notional value of these short duration foreign currency forward contracts was $383.6 million and $197.5 million, at August 31, 2013 and 2012, respectively. Net foreign currency gains related to these derivative instruments was $0.8 million for the year ended August 31, 2013, which offset foreign currency losses from the related revaluation on non-functional currency assets and liabilities (amounts included in other income and expense in the consolidated statement of earnings).

Note 8. Leases

The Company leases certain facilities, computers, equipment and vehicles under various lease agreements generally over periods ofone to twenty years. Under most arrangements, the Company pays the property taxes, insurance, maintenance and expenses related to the leased property. Many of the leases include provisions that enable the Company to renew the lease based upon fair value rental rates on the date of expiration of the initial lease.

As of August 31, 2013, future obligations under non-cancelable operating leases (related to continuing operations) were as follows:$24.1 million in fiscal 2014; $19.1 million in fiscal 2015; $15.9 million in fiscal 2016; $13.3 million in fiscal 2017; $10.3 million in fiscal 2018; and $38.6 million in aggregate thereafter. Total related rental expense under operating leases was $26.0 million, $24.2 million and $21.1 million in fiscal 2013, 2012 and 2011, respectively. As discussed in Note 14, “Contingencies and Litigation” the Company is also contingently liable for certain leases entered into by a former subsidiary.

Note 9. Employee Benefit Plans

Defined Benefit Pension Plans

The Company has several defined benefit pension plans which cover certain existing and former employees of domestic businesses it acquired, that were entitled to those benefits prior to acquisition, or existing and former employees of foreign businesses. Most of the U.S. defined benefit pension plans are frozen, and as a result, the majority of the plan participants no longer earn additional benefits. The following table provides detail of changes in the projected benefit obligations, the fair value of plan assets and the funded status of the Company’s U.S. defined benefit pension plans as of the August 31 measurement date (in thousands):

	2013	2012
Reconciliation of benefit obligations:		
Benefit obligation at beginning of year	$ 50,870	$ 44,430
Adjustment	(280)	—
Interest cost	1,928	2,162
Actuarial (gain) loss	(4,983)	6,855
Benefits paid	(2,489)	(2,577)
Benefit obligation at end of year	$ 45,046	$ 50,870
Reconciliation of plan assets:		
Fair value of plan assets at beginning of year	$ 33,695	$ 32,412
Actual return on plan assets	2,252	2,911
Company contributions	596	949
Benefits paid from plan assets	(2,489)	(2,577)
Fair value of plan assets at end of year	34,054	33,695
Funded status of the plans (underfunded)	$ (10,992)	$ (17,175)

The following table provides detail on the Company’s net periodic benefit costs (in thousands):

	Year ended August 31,		
	2013	2012	2011
Interest cost	$ 1,928	$ 2,162	$ 2,108
Expected return on assets	(2,468)	(2,471)	(2,221)
Amortization of actuarial loss	878	675	669
Net benefit cost	$ 338	$ 366	$ 556

At August 31, 2013 and 2012, $12.0 million and $15.6 million, respectively, of pension plan actuarial gains and losses, which have not yet been recognized in net periodic benefit cost, were included in accumulated other comprehensive loss, net of

income taxes. During fiscal 2014, $0.4 million of these actuarial losses are expected to be recognized in net periodic benefit cost.

Weighted-average assumptions used to determine U.S. pension plan obligations as of August 31 and weighted-average assumptions used to determine net periodic benefit cost for the years ended August 31 are as follows:

	2013	2012	2011
Assumptions for benefit obligations:			
Discount rate	4.90%	3.90%	5.00%
Assumptions for net periodic benefit cost:			
Discount rate	3.90%	5.00%	4.60%
Expected return on plan assets	7.75%	7.90%	8.00%

The Company employs a total return on investment approach for its pension plan assets whereby a mix of equity and fixed income investments are used to maximize the long-term return for plan assets, at a prudent level of risk. The investment portfolio contains a diversified blend of equity and fixed income investments. Within the equity allocation, a blend of growth and value investments are maintained in a variety of market capitalizations and diversified between U.S. and non-U.S. stocks. The Company's targeted asset allocation as a percentage of total plan assets is 60% - 80% in equity securities, with the remainder invested in fixed income securities and cash. Cash balances are maintained at levels adequate to meet near-term plan expenses and benefit payments. Investment risk is measured and monitored on an ongoing basis. At August 31, 2013, Company's overall expected long-term rate of return for assets in U.S. pension plans was 7.65%. The expected long-term rate of return is based on the portfolio as a whole and not on the sum of the returns on individual asset categories. The target return is based on historical returns adjusted to reflect the current view of the long-term investment market.

The fair value of all U.S. pension plan assets are determined based on quoted market prices and therefore all plan assets are determined based on Level 1 inputs, except for fixed income securities which are valued based on Level 2 inputs, as defined in Note 6, "Fair Value Measurements." The U.S. pension plan investment allocations by asset category were as follows (in thousands):

	Year Ended August 31,			
	2013	%	2012	%
Cash and cash equivalents	$ 348	1.0%	$ 250	0.7%
Fixed income securities:				
Government bonds	—	—	310	0.9
Corporate bonds	8,741	25.7	7,489	22.2
Mutual funds	3,464	10.2	2,678	8.0
	12,205	35.9	10,477	31.1
Equity securities:				
Mutual funds	21,501	63.1	22,968	68.2
Total plan assets	$ 34,054	100.0%	$ 33,695	100.0%

Projected benefit payments from plan assets to participants in the Company's U.S. pension plans are approximately $2.6 million per year for fiscal 2014 through 2018 and $14.9 million in aggregate for the following five years.

Non-U.S. Defined Benefit Pension Plans

The Company has several non-U.S. defined benefit pension plans which cover certain existing and former employees of businesses outside the U.S. Most of the non-U.S. defined benefit pension plans continue to earn additional benefits. The funded status of these plans is summarized as follows (in thousands):

	August 31,	
	2013	2012
Benefit obligation	$ 12,912	$ 12,227
Fair value of plan assets	7,790	7,440
Funded status of plans (underfunded)	$ (5,122)	$ (4,787)

Net periodic benefit cost for these non-U.S. plans was $0.8 million, $0.5 million and $0.5 million in fiscal 2013, 2012 and 2011, respectively. The weighted average discount rate utilized for determining the benefit obligation at August 31, 2013 and 2012 was 4.3% and 4.0%, respectively. The plan assets of these non-U.S. pension plans consist primarily of participating units in common stock and bond funds. The Company's overall expected long-term rate of return on these investments is 4.6%. During fiscal 2014, the Company anticipates contributing $0.6 million in aggregate to these pension plans.

Other Postretirement Health Benefit Plans

The Company provides other postretirement health benefits ("OPEB") to certain existing and former employees of domestic businesses it acquired, who were entitled to such benefits prior to acquisition. These unfunded plans had a benefit obligation of $2.9 million and $3.4 million at August 31, 2013 and 2012, respectively. These obligations are determined utilizing assumptions consistent with those used for U.S. pension plans and a health care cost trend rate of 7.5%, trending downward to 5% by the year 2018, and remaining level thereafter. Net periodic benefit costs for the other postretirement benefits was a credit of approximately $0.2 million for each of the years ended August 31, 2013, 2012 and 2011. Benefit payments from the plan are funded through participant contributions and Company contributions, which are projected to be $0.3 million in fiscal 2014.

Defined Contribution Benefit Plans

The Company maintains a 401(k) Plan for substantially all full time U.S. employees (the "401(k) Plan"). Under plan provisions, the Company either funds cash or issues new shares of Class A common stock for its contributions. Amounts are allocated to accounts set aside for each employee's retirement. Employees generally may contribute up to 50% of their compensation to individual accounts within the 401(k) Plan. While contributions vary, the Company generally makes core contributions to employee accounts equal to 3% of each employee's eligible annual cash compensation, subject to IRS limitations. The Company also maintains a Restoration Plan that allows eligible highly compensated employees (as defined by the Internal Revenue Code) to receive a core contribution as if no IRS limits were in place. Company contributions to the Restoration Plan are made in the form of Actuant common stock and are contributed into each eligible participant's Deferred Compensation Plan account. In addition, the Company matches approximately 25% of each employee's contribution up to 6% of the employee's eligible compensation. Expense recognized related to the 401(k) plan totaled approximately $4.5 million, $5.1 million and $4.6 million for the years ended August 31, 2013, 2012 and 2011, respectively.

In addition to the 401(k) Plan the Company established a nonqualified supplemental executive retirement plan ("the SERP Plan") in fiscal 2011. The unfunded SERP plan covers certain executive level employees and has a benefit accrual formula based on age and years of service (with Company contributions ranging from 3% to 6% of eligible wages). Expense recognized in fiscal 2013 and 2012 for the SERP Plan was $0.6 million and $0.7 million, respectively.

Deferred Compensation Plan

The Company maintains a deferred compensation plan to allow eligible U.S. employees to defer receipt of current cash compensation in order to provide future savings benefits. Eligibility is limited to all employees that earn compensation that exceeds certain pre-defined levels. Participants have the option to invest their deferrals in a fixed income investment, in Company common stock, or a combination of the two. The fixed income portion of the plan is unfunded, and therefore all compensation deferred under the plan is held by the Company and commingled with its general assets. Liabilities of $23.2 million and $19.6 million are included in "Other current liabilities" and "Other long-term liabilities" on the consolidated balance sheets at August 31, 2013 and 2012, respectively, to reflect the unfunded portion of the deferred compensation liability. The Company recorded expense of $1.6 million, $1.5 million and $1.2 million for the years ended August 31, 2013, 2012 and 2011, respectively, for non-funded interest on participant deferrals in the fixed income investment option. Company common stock contributions to fund the plan are held in a rabbi trust, accounted for in a manner similar to treasury stock and are recorded at cost in "Stock held in trust" within shareholders' equity with the corresponding deferred compensation liability also recorded within shareholders' equity. Since no investment diversification is permitted within the trust, changes in fair value of Actuant common stock are not recognized. The shares held in the trust are included in both the basic and diluted earnings per share calculations. The cost of the shares held in the trust was $1.9 million and $1.5 million at August 31, 2013 and 2012, respectively.

Long Term Incentive Plan

The Company adopted a long term incentive plan in July, 2006 to provide certain executive officers with an opportunity to receive a lump sum cash incentive payment based on Actuant's common stock meeting or exceeding $50 per share price

target prior to May 1, 2014. The Company recorded expense of$0.3 million, $0.1 million and $0.1 million for the years ended August 31,2013, 2012 and 2011, respectively, pursuant to this plan. A related liability of $1.3 million and $1.1 million is included in "Other current liabilities" on the consolidated balance sheets at August 31,2013 and 2012, respectively. As of August 31, 2013 the minimum and maximum payments available under the plan, depending on the attainment of the$50 per share stock price target, are $0 and $10.0 million, respectively.

Note 10. Income Taxes

Income tax expense from continuing operations is summarized as follows (in thousands):

	Year ended August 31,		
	2013	2012	2011
Currently payable:			
Federal	$ 24,809	$ 22,078	$ (78)
Foreign	13,335	10,396	20,903
State	902	1,534	586
	39,046	34,008	21,411
Deferred:			
Federal	(13,514)	(495)	14,948
Foreign	(9,942)	(4,598)	(4,223)
State	(218)	439	(4,303)
	(23,674)	(4,654)	6,422
	$ 15,372	$ 29,354	$ 27,833

Income tax expense from continuing operations recognized in the accompanying consolidated statements of earnings differs from the amounts computed by applying the Federal income tax rate to earnings from continuing operations before income tax expense. A reconciliation of income taxes at the Federal statutory rate to the effective tax rate is summarized in the following table:

	Year ended August 31,		
	2013	2012	2011
Federal statutory rate	35.0 %	35.0 %	35.0 %
State income taxes, net of Federal effect	0.9	1.2	0.4
Net effect of foreign tax rates and credits	(8.8)	(14.6)	(14.0)
NOL utilization and changes in valuation allowance	(3.1)	0.1	(3.0)
Tax contingency reserve	(5.6)	(2.2)	(1.6)
Prior period correction (1)	(6.5)	—	—
Other items	(2.5)	(0.5)	3.4
Effective income tax rate	9.4 %	19.0 %	20.2 %

(1) During the fourth quarter of fiscal 2013, the Company recorded a$10.6 million adjustment to properly state deferred income tax balances associated with its equity compensation programs. The correction is not material to current or previously issued financial statements.

Temporary differences and carryforwards that gave rise to deferred tax assets and liabilities include the following items (in thousands):

	August 31,	
	2013	2012
Deferred income tax assets:		
Operating loss and tax credit carryforwards	$ 35,071	$ 16,393
Compensation related liabilities	20,812	9,909
Postretirement benefits	7,731	10,679
Inventory reserves	7,049	8,045
Book reserves and other items	11,523	12,781
Total deferred income tax assets	82,186	57,807
Valuation allowance	(22,777)	(8,153)
Net deferred income tax assets	59,409	49,654
Deferred income tax liabilities:		
Depreciation and amortization	(129,498)	(156,751)
Other items	(1,985)	(2,098)
Deferred income tax liabilities	(131,483)	(158,849)
Net deferred income tax liability	$ (72,074)	$ (109,195)

Certain of the operating loss and tax credit carryforwards may be carried forward indefinitely, with the remaining $12.9 million expiring at various dates between 2014 and 2021. The valuation allowance represents a reserve for operating loss and tax credit carryforwards for which utilization is uncertain.

Changes in the Company's gross liability for unrecognized tax benefits, excluding interest and penalties, are as follows (in thousands):

	2013	2012	2011
Beginning balance	$ 24,608	$ 26,179	$ 28,225
Increase for tax positions taken in a prior period	3,601	3,400	4,026
Decrease for tax positions taken in a prior period	(7,622)	(4,579)	(6,072)
Decrease due to settlements	(2,581)	(392)	—
Ending balance	$ 18,006	$ 24,608	$ 26,179

Substantially all of these unrecognized tax benefits, if recognized, would impact the effective income tax rate. As of August 312013, 2012 and 2011, the Company recognized $2.9 million, $4.5 million and $5.1 million, respectively for interest and penalties related to unrecognized tax benefits. With few exceptions, the Company is no longer subject to U.S. federal, state and local and foreign income tax examinations by tax authorities in our major tax jurisdictions for years before fiscal 2006. The Company believes it is reasonably possible that the total amount of unrecognized tax benefits could decrease up to $4.3 million within the next twelve months.

The Company's policy is to remit earnings from foreign subsidiaries only to the extent any resultant foreign income taxes are creditable in the United States. Accordingly, the Company does not currently provide for the additional United States and foreign income taxes which would become payable upon remission of undistributed earnings of foreign subsidiaries. Undistributed earnings on which additional income taxes have not been provided amounted to approximately $427.1 million at August 31, 2013. If all such undistributed earnings were remitted, an additional income tax provision of approximately $79.8 million would have been necessary as of August 31, 2013.

Earnings before income taxes, for continuing operations, are summarized as follows (in thousands):

	Year Ended August 31,		
	2013	2012	2011
Domestic	$ 67,392	$ 65,685	$ 47,445
Foreign	95,557	88,945	90,576
	$ 162,949	$ 154,630	$ 138,021

Both domestic and foreign pre-tax earnings are impacted by changes in sales levels, acquisition and divestiture activities (see Note 2, “Acquisitions” and Note 3, “Discontinued Operations”), restructuring costs and the related benefits, growth investments, debt levels, interest rates and the impact of changes in foreign currency exchange rates. In addition, fiscal 2012 domestic pre-tax earnings include a $16.8 million (domestic) debt refinancing charge.

Cash paid for income taxes, net of refunds was$42.1 million, $56.5 million and $23.1 million during the years ended August 31, 2013, 2012 and 2011, respectively.

Note 11. Capital Stock

The authorized common stock of the Company as of August 31, 2013 consisted of 168,000,000 shares of Class A common stock, $0.20 par value, of which 77,001,144 shares were issued and 73,017,631 outstanding; 1,500,000 shares of Class B common stock, $0.20 par value, none of which were issued and outstanding; and 160,000 shares of cumulative preferred stock, $1.00 par value (“preferred stock”), none of which have been issued. Holders of both classes of the Company’s common stock are entitled to dividends, as the Company’s board of directors may declare out of funds legally available, subject to any contractual restrictions on the payment of dividends or other distributions on the common stock. If the Company were to issue any of its preferred stock, no dividends could be paid or set apart for payment on shares of common stock, unless paid in common stock, until dividends on all of the issued and outstanding shares of preferred stock had been paid or set apart for payment and provision had been made for any mandatory sinking fund payments.

On September 28, 2011, the Company’s Board of Directors authorized a share buyback program for up to7,000,000 shares of the Company’s Class A common stock. The share repurchase plan may be implemented from time to time on the open market or in privately negotiated transactions, with repurchased shares available for use in connection with the Company’s stock-based compensation plans and for other corporate purposes. As of August 31, 2013 a total of 3,983,513 shares had been repurchased under this program.

Earnings Per Share

The following table sets forth the computation of basic and diluted earnings per share (in thousands, except per share amounts):

	Year Ended August 31,		
	2013	2012	2011
Numerator:			
Net earnings	$ 30,048	$ 87,290	$ 111,559
Plus: 2% Convertible Notes financings costs, net of taxes	—	425	1,755
Net earnings for diluted earnings per share	$ 30,048	$ 87,715	$ 113,314
Denominator:			
Weighted average common shares outstanding for basic earnings per share	72,979	70,099	68,254
Net effect of dilutive securities—employee stock compensation plans	1,601	1,119	1,089
Net effect of 2% Convertible Notes based on the if-converted method	—	3,722	5,962
Weighted average common shares outstanding for diluted earnings per share	74,580	74,940	75,305
Basic Earnings Per Share:	$ 0.41	$ 1.25	$ 1.63
Diluted Earnings Per Share:	$ 0.40	$ 1.17	$ 1.50

At August 31, 2013, 2012 and 2011, outstanding share based awards to acquire 619,000, 2,582,000 and 2,582,000 shares of common stock were not included in the computation of diluted earnings per share because the effect would have been anti-dilutive.

Note 12. Stock Plans

Stock options may be granted to key employees and directors under the Actuant Corporation 2009 Omnibus Incentive Plan (the "Plan"). At August 31, 2013, 9,400,000 shares of Class A common stock were authorized for issuance under the Plan, of which 4,503,394 shares were available for future award grants. The Plan permits the Company to grant share-based awards, including stock options and restricted stock, to employees and directors. Options generally have a maximum term of ten years, an exercise price equal to 100% of the fair market value of the Company's common stock at the date of grant and generally vest 50% after three years and 100% after five years. The Company's restricted stock grants generally have similar vesting provisions. In addition, in fiscal 2012 the Company began issuing Performance Shares under the Plan. The Performance Shares include a three-year performance period, with vesting based 50% on achievement of an absolute Free Cash Flow Conversion target and 50% on the Company's Total Shareholder Return (TSR) relative to the S&P 600 SmallCap Industrial index. The provisions of share-based awards may vary by individual grant with respect to vesting period, dividend and voting rights, performance conditions and forfeitures.

A summary of stock option activity during fiscal 2013 is as follows:

	Shares	Weighted-Average Exercise Price (Per Share)	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding on September 1, 2012	5,289,384	$ 22.33		
Granted	276,136	28.70		
Exercised	(1,278,626)	19.48		
Forfeited	(107,343)	22.10		
Outstanding on August 31, 2013	4,179,551	$ 23.66	5.3	$ 48.8 million
Exercisable on August 31, 2013	2,609,876	$ 23.92	4.2	$ 30.8 million

Intrinsic value is the difference between the market value of the stock atAugust 31, 2013 and the exercise price which is aggregated for all options outstanding and exercisable. A summary of the weighted-average grant-date fair value of options, total intrinsic value of options exercised, and cash receipts from options exercised is shown below (in thousands, except per share amounts):

	Year Ended August 31,		
	2013	2012	2011
Weighted-average fair value of options granted (per share)	$ 10.49	$ 8.73	$ 10.74
Intrinsic value of options exercised	15,803	7,946	7,540
Cash receipts from exercise of options	24,840	6,550	4,324

A summary of restricted stock activity (including Performance Shares) during fiscal2013 is as follows:

	Number of Shares	Weighted-Average Fair Value at Grant Date (Per Share)
Outstanding August 31, 2012	1,507,443	$23.85
Granted	430,793	29.18
Forfeited	(131,688)	22.76
Vested	(212,359)	20.46
Outstanding August 31, 2013	1,594,189	25.83

As of August 31, 2013, there was $29.8 million of total unrecognized compensation cost related to share-based awards, including stock options and restricted stock awards/units. That cost is expected to be recognized over a weighted average period of 2.9 years. The total fair value of shares vested during the fiscal years ended August 31, 2013 and 2012 was $6.2 million and $3.3 million, respectively.

The Company generally records compensation expense (over the vesting period) for restricted stock awards based on the market value of Actuant common stock on the grant date. Stock based compensation expense is determined using a binomial pricing model for options. The fair value of Performance Shares with market vesting conditions is determined utilizing a Monte Carlo simulation model. Assumptions used to determine the fair value of each option were based upon historical data and standard industry valuation practices and methodology. The following weighted-average assumptions were used in each fiscal year:

	Fiscal Year Ended August 31,		
	2013	2012	2011
Dividend yield	0.14%	0.18%	0.15%
Expected volatility	38.36%	39.97%	39.62%
Risk-free rate of return	0.84%	1.19%	2.53%
Expected forfeiture rate	15%	15%	15%
Expected life	6.1 years	6.1 years	6.1 years

Note 13. Business Segment, Geographic and Customer Information

The Company is a global manufacturer of a broad range of industrial products and systems and is organized intothree reportable segments: Industrial, Energy and Engineered Solutions. The Industrial segment is primarily involved in the design, manufacture and distribution of branded hydraulic and mechanical tools to the maintenance, industrial, infrastructure and production automation markets. The Energy segment provides joint integrity products and services, customized offshore vessel mooring solutions, as well as rope and cable solutions to the global oil & gas, power generation and energy markets. The Engineered Solutions segment provides highly engineered position and motion control systems to OEMs in various vehicle markets, as well as a variety of other products to the industrial and agricultural markets.

The following tables summarize financial information by reportable segment and product line (in thousands):

	Year Ended August 31,		
	2013	2012	2011
Net Sales by Segment:			
Industrial	$ 422,620	$ 419,295	$ 393,013
Energy	363,372	349,163	293,060
Engineered Solutions	493,750	508,063	473,237
	$ 1,279,742	$ 1,276,521	$ 1,159,310
Net Sales by Reportable Product Line:			
Industrial	$ 422,620	$ 419,295	$ 393,013
Energy	363,372	349,163	293,060
Vehicle Systems	253,073	279,549	328,763
Other	240,677	228,514	144,474
	$ 1,279,742	$ 1,276,521	$ 1,159,310
Operating Profit (Loss):			
Industrial	$ 117,644	$ 114,777	$ 98,415
Energy	63,280	62,205	49,345
Engineered Solutions	40,328	60,851	63,612
General Corporate	(31,107)	(33,319)	(38,485)
	$ 190,145	$ 204,514	$ 172,887
Depreciation and Amortization:			
Industrial	$ 8,553	$ 8,358	$ 8,655
Energy	18,451	18,115	18,152
Engineered Solutions	16,949	15,093	13,916
General Corporate	2,145	2,030	2,579
Discontinued Operations	7,804	10,667	9,694
	$ 53,902	$ 54,263	$ 52,996
Capital Expenditures:			
Industrial	$ 3,524	$ 5,333	$ 3,590
Energy	9,417	8,962	8,978
Engineered Solutions	7,001	3,463	5,966
General Corporate	867	1,905	1,902
Discontinued Operations	2,859	3,077	2,660
	$ 23,668	$ 22,740	$ 23,096

	August 31,	
	2013	2012
Assets:		
Industrial	$ 280,110	$ 268,735
Energy	817,547	540,409
Electrical	—	437,914
Engineered Solutions	652,581	667,550
General Corporate	96,488	92,511
Assets of discontinued operations	272,606	—
	$ 2,119,332	$ 2,007,119

In addition to the impact of changes in foreign currency exchange rates, the comparability of segment and product line information is impacted by acquisition/divestiture activities, restructuring costs and related benefits. Corporate assets, which are not allocated, principally represent cash and cash equivalents, capitalized debt issuance costs and deferred income taxes.

The following tables summarize financial information from continuing operations by geographic region (in thousands):

	Year Ended August 31,		
	2013	2012	2011
Net Sales:			
United States	$ 549,057	$ 599,831	$ 479,070
Netherlands	159,396	185,112	207,787
United Kingdom	144,131	141,037	116,935
Australia	68,255	47,472	27,854
France	52,806	48,681	49,971
All other	306,097	254,388	277,693
	$ 1,279,742	$ 1,276,521	$ 1,159,310

	August 31,	
	2013	2012
Long-lived Assets:		
Norway	$ 59,557	$ 941
United Kingdom	54,136	17,672
United States	41,161	50,950
China	19,551	20,166
Netherlands	10,418	12,166
All other	20,358	17,725
	$ 205,181	$ 119,620

The Company's largest customer accounted for less than 3.0% of sales in each of the last three fiscal years. Export sales from domestic operations were approximately 8.0% of total net sales in each of the periods presented.

Note 14. Contingencies and Litigation

The Company had outstanding letters of credit of $10.7 million and $8.5 million at August 31, 2013 and 2012, respectively, the majority of which secure self-insured workers compensation obligations.

The Company is a party to various legal proceedings that have arisen in the normal course of its business. These legal proceedings typically include product liability, environmental, labor, patent claims and divestiture disputes. The Company has recorded reserves for loss contingencies based on the specific circumstances of each case. Such reserves are recorded when it is probable that a loss has been incurred as of the balance sheet date, can be reasonably estimated and is not covered by insurance. In the opinion of management, the resolution of these contingencies will not have a material adverse effect on the Company's financial condition, results of operations or cash flows.

The Company remains contingently liable for lease payments under leases of businesses that it previously divested or spun-off, in the event that such businesses are unable to fulfill their future lease payment obligations. The discounted present value of future minimum lease payments for these leases was $10.9 million at August 31, 2013.

The Company has facilities in numerous geographic locations that are subject to a range of environmental laws and regulations. Environmental expenditures over the past three years have not been material. Management believes that such costs will not have a material adverse effect on the Company's financial position, results of operations or cash flows.

Note 15. Guarantor Subsidiaries

On April 16, 2012, Actuant Corporation (the "Parent") issued$300.0 million of 5.625% Senior Notes. All of our material domestic wholly owned subsidiaries (the "Guarantors") fully and unconditionally guarantee (except for certain customary limitations) the 5.625% Senior Notes on a joint and several basis. There are no significant restrictions on the ability of the Guarantors to make distributions to the Parent. The following tables present the results of operations, financial position and cash flows of Actuant Corporation and its subsidiaries, the Guarantor and non-Guarantor entities, and the eliminations necessary to arrive at the information for the Company on a consolidated basis.

Certain assets, liabilities and expenses have not been allocated to the Guarantors and non-Guarantors and therefore are included in the Parent column in the accompanying consolidating financial statements. These items are of a corporate or consolidated nature and include, but are not limited to, tax provisions and related assets and liabilities, certain employee benefit obligations, prepaid and accrued insurance and corporate indebtedness. Intercompany activity in the consolidating financial statements primarily includes loan activity, purchases and sales of goods or services and dividends. Intercompany balances also reflect certain non-cash transactions including transfers of assets and liabilities between the Parent, Guarantor and non-Guarantor, allocation of non-cash expenses from the Parent to the Guarantors and non-Guarantors, the impact of foreign currency rate changes and non-cash intercompany dividends.

ACTUANT CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

CONDENSED CONSOLIDATING STATEMENTS OF EARNINGS
(in thousands)

	Year Ended August 31, 2013				
	Parent	**Guarantors**	**Non-Guarantors**	**Eliminations**	**Consolidated**
Net sales	$ 196,531	$ 293,884	$ 789,327	$ —	$ 1,279,742
Cost of products sold	65,178	201,704	505,910	—	772,792
Gross profit	131,353	92,180	283,417	—	506,950
Selling, administrative and engineering expenses	69,734	59,358	164,774	—	293,866
Amortization of intangible assets	1,276	10,481	11,182	—	22,939
Operating profit	60,343	22,341	107,461	—	190,145
Financing costs, net	25,270	9	(442)	—	24,837
Intercompany expense (income), net	(21,041)	1,082	19,959	—	—
Other expense (income), net	(2,105)	(571)	5,035	—	2,359
Earnings from continuing operations before income tax expense	58,219	21,821	82,909	—	162,949
Income tax expense (benefit)	(798)	2,009	14,161	—	15,372
Net earnings before equity in earnings (loss) of subsidiaries	59,017	19,812	68,748	—	147,577
Equity in earnings (loss) of subsidiaries	(26,527)	7,822	2,173	16,532	—
Earnings from continuing operations	32,490	27,634	70,921	16,532	147,577
Loss from discontinued operations	(2,442)	(76,634)	(38,453)	—	(117,529)
Net earnings (loss)	$ 30,048	$ (49,000)	$ 32,468	$ 16,532	$ 30,048
Comprehensive income (loss)	$ 30,860	$ (48,416)	$ 31,099	$ 17,317	$ 30,860

CONDENSED CONSOLIDATING STATEMENTS OF EARNINGS
(in thousands)

	Year Ended August 31, 2012				
	Parent	**Guarantors**	**Non-Guarantors**	**Eliminations**	**Consolidated**
Net sales	$ 206,894	$ 328,295	$ 741,332	$ —	$ 1,276,521
Cost of products sold	69,902	220,271	474,888	—	765,061
Gross profit	136,992	108,024	266,444	—	511,460
Selling, administrative and engineering expenses	79,742	61,113	144,065	—	284,920
Amortization of intangible assets	1,341	10,515	10,170	—	22,026
Operating profit	55,909	36,396	112,209	—	204,514
Financing costs, net	29,983	(14)	(408)	—	29,561
Debt refinancing costs	16,830	—	—	—	16,830
Intercompany expense (income), net	(32,185)	6,281	25,904	—	—
Other expense, net	1,351	1,992	150	—	3,493
Earnings from continuing operations before income tax expense	39,930	28,137	86,563	—	154,630
Income tax expense	6,700	4,677	17,977	—	29,354
Net earnings before equity in earnings of subsidiaries	33,230	23,460	68,586	—	125,276
Equity in earnings of subsidiaries	56,407	14,373	1,649	(72,429)	—
Earnings from continuing operations	89,637	37,833	70,235	(72,429)	125,276
(Loss) earnings from discontinued operations	(2,347)	11,373	(47,012)	—	(37,986)
Net earnings	$ 87,290	$ 49,206	$ 23,223	$ (72,429)	$ 87,290
Comprehensive income	$ 35,497	$ 24,934	$ 6,064	$ (30,998)	$ 35,497

CONDENSED CONSOLIDATING STATEMENTS OF EARNINGS
(in thousands)

	Year Ended August 31, 2011				
	Parent	Guarantors	Non-Guarantors	Eliminations	Consolidated
Net sales	$ 170,094	$ 302,911	$ 686,305	$ —	$ 1,159,310
Cost of products sold	55,256	200,332	438,920	—	694,508
Gross profit	114,838	102,579	247,385	—	464,802
Selling, administrative and engineering expenses	87,333	57,288	125,771	—	270,392
Amortization of intangible assets	335	12,060	9,128	—	21,523
Operating profit	27,170	33,231	112,486	—	172,887
Financing costs, net	31,912	(1)	208	—	32,119
Intercompany expense (income), net	(16,924)	14,670	2,254	—	—
Other expense (income), net	(4,519)	112	7,154	—	2,747
Earnings from continuing operations before income tax expense	16,701	18,450	102,870	—	138,021
Income tax expense	4,148	2,680	21,005	—	27,833
Net earnings before equity in earnings of subsidiaries	12,553	15,770	81,865	—	110,188
Equity in earnings of subsidiaries	112,364	77,395	6,261	(196,020)	—
Earnings from continuing operations	124,917	93,165	88,126	(196,020)	110,188
(Loss) earnings from discontinuing operations	(13,358)	8,881	5,848	—	1,371
Net earnings	$ 111,559	$ 102,046	$ 93,974	$ (196,020)	$ 111,559
Comprehensive income	$ 160,985	$ 130,503	$ 106,875	$ (237,378)	$ 160,985

ACTUANT CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

CONDENSED CONSOLIDATING BALANCE SHEETS
(in thousands)

	August 31, 2013				
	Parent	**Guarantors**	**Non-Guarantors**	**Eliminations**	**Consolidated**
ASSETS					
Cash and cash equivalents	$ 16,122	$ —	$ 87,864	$ —	$ 103,986
Accounts receivable, net	20,471	40,343	158,261	—	219,075
Inventories, net	27,343	38,948	76,258	—	142,549
Deferred income taxes	13,002	—	5,794	—	18,796
Prepaid expenses and other current assets	7,454	963	19,811	—	28,228
Assets of discontinued operations	—	192,129	80,477	—	272,606
Total current assets	84,392	272,383	428,465	—	785,240
Property, plant & equipment, net	7,050	22,801	171,645	—	201,496
Goodwill	62,543	264,502	407,907	—	734,952
Other intangibles, net	13,247	141,258	222,187	—	376,692
Intercompany receivable	—	480,633	360,620	(841,253)	—
Investment in subsidiaries	2,086,534	201,779	96,333	(2,384,646)	—
Other long-term assets	12,654	22	8,276	—	20,952
Total assets	$ 2,266,420	$ 1,383,378	$ 1,695,433	$ (3,225,899)	$ 2,119,332
LIABILITIES & SHAREHOLDERS' EQUITY					
Trade accounts payable	$ 22,194	$ 30,637	$ 101,218	$ —	$ 154,049
Accrued compensation and benefits	13,835	2,716	27,249	—	43,800
Income taxes payable	8,135	—	5,879	—	14,014
Other current liabilities	21,268	4,630	31,001	—	56,899
Liabilities of discontinued operations	—	23,466	29,614	—	53,080
Total current liabilities	65,432	61,449	194,961	—	321,842
Long-term debt	515,000	—	—	—	515,000
Deferred income taxes	64,358	—	51,507	—	115,865
Pension and post-retirement benefit liabilities	16,267	—	4,431	—	20,698
Other long-term liabilities	51,479	390	13,791	—	65,660
Intercompany payable	473,617	—	367,636	(841,253)	—
Shareholders' equity	1,080,267	1,321,539	1,063,107	(2,384,646)	1,080,267
Total liabilities and shareholders' equity	$ 2,266,420	$ 1,383,378	$ 1,695,433	$ (3,225,899)	$ 2,119,332

CONDENSED CONSOLIDATING BALANCE SHEETS
(in thousands)

	August 31, 2012				
	Parent	**Guarantors**	**Non-Guarantors**	**Eliminations**	**Consolidated**
ASSETS					
Cash and cash equivalents	$ 12,401	$ 91	$ 55,692	$ —	$ 68,184
Accounts receivable, net	20,401	74,006	140,349	—	234,756
Inventories, net	29,658	75,905	106,127	—	211,690
Deferred income taxes	17,942	—	4,641	—	22,583
Prepaid expenses and other current assets	8,157	1,166	14,745	—	24,068
Total current assets	88,559	151,168	321,554	—	561,281
Property, plant & equipment, net	6,944	31,818	77,122	—	115,884
Goodwill	62,543	433,193	370,676	—	866,412
Other intangibles, net	14,522	206,194	225,168	—	445,884
Intercompany receivable	—	418,253	307,282	(725,535)	—
Investment in subsidiaries	1,886,478	250,738	90,770	(2,227,986)	—
Other long-term assets	12,297	22	5,339	—	17,658
Total assets	$ 2,071,343	$ 1,491,386	$ 1,397,911	$ (2,953,521)	$ 2,007,119
LIABILITIES & SHAREHOLDERS' EQUITY					
Trade accounts payable	$ 21,722	$ 44,893	$ 108,131	$ —	$ 174,746
Accrued compensation and benefits	23,459	6,646	28,712	—	58,817
Income taxes payable	3,129	—	2,649	—	5,778
Current maturities of debt	7,500	—	—	—	7,500
Other current liabilities	20,876	11,566	39,723	—	72,165
Total current liabilities	76,686	63,105	179,215	—	319,006
Long-term debt	390,000	—	—	—	390,000
Deferred income taxes	91,604	—	41,049	—	132,653
Pension and post-retirement benefit liabilities	22,500	—	3,942	—	26,442
Other long-term liabilities	59,929	620	26,633	—	87,182
Intercompany payable	378,788	—	346,747	(725,535)	—
Shareholders' equity	1,051,836	1,427,661	800,325	(2,227,986)	1,051,836
Total liabilities and shareholders' equity	$ 2,071,343	$ 1,491,386	$ 1,397,911	$ (2,953,521)	$ 2,007,119

ACTUANT CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended August 31, 2013				
	Parent	**Guarantors**	**Non-Guarantors**	**Eliminations**	**Consolidated**
Operating Activities					
Net cash provided by operating activities	$ 81,597	$ 26,095	$ 86,097	$ —	$ 193,789
Investing Activities					
Proceeds from sale of property, plant & equipment	563	206	852	—	1,621
Proceeds from sale of business	—	—	4,854	—	4,854
Capital expenditures	(2,022)	(4,021)	(17,625)	—	(23,668)
Business acquisitions, net of cash acquired	—	—	(235,489)	—	(235,489)
Cash used in investing activities	(1,459)	(3,815)	(247,408)	—	(252,682)
Financing Activities					
Net borrowings on revolving credit facilities	125,000	—	—	—	125,000
Intercompany loan activity	(179,050)	(22,371)	201,421	—	—
Principal repayment on term loans	(7,500)	—	—	—	(7,500)
Payment of deferred acquisition consideration	(1,350)	—	(4,028)	—	(5,378)
Debt issuance costs	(2,035)	—	—	—	(2,035)
Purchase of treasury shares	(41,832)	—	—	—	(41,832)
Stock option exercises and related tax benefits	33,261	—	—	—	33,261
Cash dividend	(2,911)	—	—	—	(2,911)
Cash provided (used in) financing activities	(76,417)	(22,371)	197,393	—	98,605
Effect of exchange rate changes on cash	—	—	(3,910)	—	(3,910)
Net increase (decrease) in cash and cash equivalents	3,721	(91)	32,172	—	35,802
Cash and cash equivalents—beginning of year	12,401	91	55,692	—	68,184
Cash and cash equivalents—end of year	$ 16,122	$ —	$ 87,864	$ —	$ 103,986

ACTUANT CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended August 31, 2012				
	Parent	**Guarantors**	**Non-Guarantors**	**Eliminations**	**Consolidated**
Operating Activities					
Net cash provided by operating activities	$ 97,454	$ 20,363	$ 64,512	$ —	$ 182,329
Investing Activities					
Proceeds from sale of property, plant & equipment	1,909	353	6,239	—	8,501
Capital expenditures	(5,062)	(4,069)	(13,609)	—	(22,740)
Business acquisitions, net of cash acquired	—	—	(69,309)	—	(69,309)
Cash used in investing activities	(3,153)	(3,716)	(76,679)	—	(83,548)
Financing Activities					
Net repayments on revolving credit facilities	(57,990)	—	(177)	—	(58,167)
Intercompany loan activity	(11,482)	(16,556)	28,038	—	—
Principal repayment on term loans	(2,500)	—	—	—	(2,500)
Repurchases of 2% Convertible Notes	(102)	—	—	—	(102)
Proceeds from issuance of 5.625% Senior Notes	300,000	—	—	—	300,000
Redemption of 6.875% Senior Notes	(250,000)	—	—	—	(250,000)
Payment of deferred acquisition consideration	(290)	—	(668)	—	(958)
Debt issuance costs	(5,490)	—	—	—	(5,490)
Purchase of treasury shares	(63,083)	—	—	—	(63,083)
Stock option exercises and related tax benefits	10,913	—	—	—	10,913
Cash dividend	(2,748)	—	—	—	(2,748)
Cash provided (used in) financing activities	(82,772)	(16,556)	27,193	—	(72,135)
Effect of exchange rate changes on cash	—	—	(2,683)	—	(2,683)
Net increase in cash and cash equivalents	11,529	91	12,343	—	23,963
Cash and cash equivalents—beginning of year	872	—	43,349	—	44,221
Cash and cash equivalents—end of year	$ 12,401	$ 91	$ 55,692	$ —	$ 68,184

CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended August 31, 2011				
	Parent	**Guarantors**	**Non-Guarantors**	**Eliminations**	**Consolidated**
Operating Activities					
Net cash provided by operating activities	$ 92,573	$ 3,122	$ 77,404	$ (1,533)	$ 171,566
Investing Activities					
Proceeds from sale of property, plant & equipment	103	313	1,363	—	1,779
Proceeds from sale of business	—	—	3,463	—	3,463
Capital expenditures	(5,284)	(4,740)	(13,072)	—	(23,096)
Business acquisitions, net of cash acquired	(153,409)	—	(159,697)	—	(313,106)
Cash used in investing activities	(158,590)	(4,427)	(167,943)	—	(330,960)
Financing Activities					
Net borrowings on revolving credit facilities	58,000	—	204	—	58,204
Proceeds from issuance of term loans	100,000	—	—	—	100,000
Repurchases of 2% Convertible Notes	(34)	—	—	—	(34)
Intercompany loan activity	(96,454)	1,655	94,799	—	—
Payment of deferred acquisition consideration	—	(350)	—	—	(350)
Debt issuance costs	(5,197)	—	—	—	(5,197)
Stock option exercises and related tax benefits	8,235	—	—	—	8,235
Cash dividend	(2,716)	—	(1,533)	1,533	(2,716)
Cash provided by financing activities	61,834	1,305	93,470	1,533	158,142
Effect of exchange rate changes on cash	—	—	5,251	—	5,251
Net increase (decrease) in cash and cash equivalents	(4,183)	—	8,182	—	3,999
Cash and cash equivalents—beginning of year	5,055	—	35,167	—	40,222
Cash and cash equivalents—end of year	$ 872	$ —	$ 43,349	$ —	$ 44,221

Note 16. Quarterly Financial Data (Unaudited)

Quarterly financial data for fiscal 2013 and fiscal 2012 is as follows:

	Year Ended August 31, 2013				
	First	Second	Third	Fourth	Total
Net sales	$ 307,809	$ 300,468	$ 344,205	$ 327,260	$ 1,279,742
Gross profit	124,368	116,178	136,904	129,500	506,950
Earnings from continuing operations	30,551	25,834	46,077	45,115	147,577
Earnings (loss) from discontinued operations	5,792	2,601	(139,060)	13,138	(117,529)
Net earnings (loss)	36,343	28,435	(92,983)	58,253	30,048
Earnings from continuing operations per share:					
Basic	$ 0.42	$ 0.35	$ 0.63	$ 0.62	$ 2.02
Diluted	0.41	0.35	0.62	0.60	1.98
Earnings (loss) from discontinued operations per share:					
Basic	$ 0.08	$ 0.04	$ (1.90)	$ 0.18	$ (1.61)
Diluted	0.08	0.03	(1.86)	0.18	(1.58)
Net earnings (loss) per share:					
Basic	$ 0.50	$ 0.39	$ (1.27)	$ 0.80	$ 0.41
Diluted	0.49	0.38	(1.24)	0.78	0.40

	Year Ended August 31, 2012				
	First	Second	Third	Fourth	Total
Net sales	$ 309,966	$ 300,919	$ 343,268	$ 322,368	$ 1,276,521
Gross profit	127,015	116,083	138,754	129,608	511,460
Earnings from continuing operations	33,970	27,653	27,737	35,916	125,276
Earnings (loss) from discontinued operations	3,204	4,522	6,664	(52,376)	(37,986)
Net earnings (loss)	37,174	32,175	34,401	(16,460)	87,290
Earnings from continuing operations per share:					
Basic	$ 0.50	$ 0.41	$ 0.39	$ 0.49	$ 1.79
Diluted	0.46	0.37	0.36	0.48	1.68
Earnings (loss) from discontinued operations per share:					
Basic	$ 0.04	$ 0.06	$ 0.09	$ (0.72)	$ (0.54)
Diluted	0.04	0.06	0.09	(0.70)	(0.51)
Net earnings (loss) per share:					
Basic	$ 0.54	$ 0.47	$ 0.48	$ (0.23)	$ 1.25
Diluted	0.50	0.43	0.45	(0.22)	1.17

The sum of the quarters may not equal the total of the respective year's earnings per share on either a basic or diluted basis due to changes in the weighted average shares outstanding during the year.

During the third quarter of fiscal 2013 the Company recognized a $170.3 million non-cash impairment charge related to the goodwill and intangible assets of the Electrical segment (discontinued operations). In the fourth quarter of fiscal 2013, the Company re-assessed its initial estimate of fair value less selling costs for the Electrical segment and recognized an $11.2 million increase to the carrying value of the Electrical segment assets (income included in discontinued operations). Fourth quarter fiscal 2012 discontinued operations include a $62.5 million non-cash impairment charge related to the goodwill and indefinite lived intangibles of the Mastervolt business. Refer to Note 3, "Discontinued Operations" for further information.

During the fourth quarter of fiscal 2013, the Company recorded a $10.6 million adjustment (reduction to income tax expense) to properly state deferred income tax balances associated with its equity compensation programs.

ACTUANT CORPORATION

SCHEDULE II—VALUATION AND QUALIFYING ACCOUNTS
(in thousands)

Description	Balance at Beginning of Period	Additions: Charged to Costs and Expenses	Additions: Acquired/ (Divested)/ (Discontinued)	Deductions: Accounts Written Off Less Recoveries	Other	Balance at End of Period
Allowance for losses—Trade accounts receivable						
August 31, 2013	$ 4,375	$ 584	$ (437)	$ (787)	$ (34)	$ 3,701
August 31, 2012	7,173	107	96	(2,740)	(261)	4,375
August 31, 2011	7,680	1,021	939	(3,048)	581	7,173
Valuation allowance—Income taxes						
August 31, 2013	$ 8,153	$ 4,527	$ 11,281	$ (1,184)	$ —	$ 22,777
August 31, 2012	7,260	2,954	—	(2,061)	—	8,153
August 31, 2011	8,542	4,498	—	(5,831)	51	7,260

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Disclosure Controls and Procedures

The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, have evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended ("the Exchange Act")) as of the end of the period covered by this report. Based on such evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, the Company's disclosure controls and procedures are effective in recording, processing, summarizing, and reporting, on a timely basis, information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act, and that information is accumulated and communicated to the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely discussions regarding required disclosure.

Management's Report on Internal Control Over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's internal control over financial reporting based on the original framework in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, the Company's management has concluded that, as of August 31, 2013, the Company's internal control over financial reporting was effective.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of the effectiveness to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management has excluded certain elements of Viking SeaTech ("Viking") from its assessment of internal control over financial reporting as of August 31, 2013 because the business was acquired by the Company in a purchase business combination on August 27, 2013. Subsequent to the acquisition, certain elements of Viking's internal control over financial reporting and related processes were integrated into the Company's existing systems and internal control over financial reporting. Those controls that were not integrated have been excluded from management's assessment of the effectiveness of internal control over financial reporting as of August 31, 2013. Viking is a wholly-owned subsidiary of the Company whose total assets and total revenues represent 13% and less than 1%, respectively, of the related consolidated financial statement amounts as of and for the year ended August 31, 2013.

PricewaterhouseCoopers LLP, an independent registered public accounting firm, has audited the Company's effectiveness of internal controls over financial reporting as of August 31, 2013, as stated in their report which is included herein.

Changes in Internal Control Over Financial Reporting

There were no changes in the Company's internal control over financial reporting during the fourth quarter of fiscal 2013 that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 9B. Other Information

None.

PART III

Item 10. Directors; Executive Officers and Corporate Governance

Information about the Company's directors is incorporated by reference from the "Election of Directors" section of the Company's Proxy Statement for its Annual Meeting of Shareholders to be held on January 14, 2014 (the "2014 Annual Meeting Proxy Statement"). Information about compliance with Section 16(a) of the Exchange Act is incorporated by reference from the "Other Information—Section 16(a) Beneficial Ownership Reporting Compliance" section in the Company's 2014 Annual Meeting Proxy Statement. Information about the Company's Audit Committee, including the members of the committee, and the Company's Audit Committee financial experts, is incorporated by reference from the "Election of Directors" and "Corporate Governance Matters" sections of the Company's 2014 Annual Meeting Proxy Statement. Information about the Company's executive officers required by this item is contained in the discussion entitled "Executive Officers of the Registrant" in Part I hereof.

The Company has adopted a code of ethics that applies to its senior executive team, including its chief executive officer, chief financial officer and corporate controller. The code of ethics is posted on the Company's website and is available free of charge at www.actuant.com. The Company intends to satisfy the requirements under Item 5.05 of Form 8-K regarding disclosure of amendments to, or waivers from, provisions of its code of ethics that apply to the chief executive officer, chief financial officer or corporate controller by posting such information on the Company's website.

Item 11. Executive Compensation

The information required by this item is incorporated by reference from the "Election of Directors," "Corporate Governance Matters" and the "Executive Compensation" sections (other than the subsection thereof entitled "Report of the Audit Committee") of the 2014 Annual Meeting Proxy Statement.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this item is incorporated by reference from the "Certain Beneficial Owners" and "Executive Compensation—Equity Compensation Plan Information" sections of the 2014 Annual Meeting Proxy Statement.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this item is incorporated by reference from the "Certain Relationships and Related Party Transactions" section of the2014 Annual Meeting Proxy Statement.

Item 14. Principal Accountant Fees and Services

The information required by this item is incorporated by reference from the "Other Information—Independent Public Accountants" section of the2014 Annual Meeting Proxy Statement.

PART IV

Item 15. Exhibits, Financial Statement Schedules

(a) Documents filed as part of this report:

1. *Consolidated Financial Statements*

   See “Index to Consolidated Financial Statements” set forth in Item 8, “Financial Statements and Supplementary Data” for a list of financial statements filed as part of this report.

2. *Financial Statement Schedules*

   See “Index to Financial Statement Schedule” set forth in Item 8, “Financial Statements and Supplementary Data.”

3. *Exhibits*

   See “Index to Exhibits” beginning on page 67, which is incorporated herein by reference.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ACTUANT CORPORATION
(Registrant)

By: /S/ ANDREW G. LAMPEREUR
Andrew G. Lampereur
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Dated: October 25, 2013

POWER OF ATTORNEY

KNOWN ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Robert C. Arzbaecher and Andrew G. Lampereur, and each of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments to this report, and to file the same, with all and any other regulatory authority, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.*

Signature	Title
/s/ ROBERT C. ARZBAECHER Robert C. Arzbaecher	Chairman of the Board and Chief Executive Officer
/s/ GUSTAV H.P. BOEL Gustav H.P. Boel	Director and Executive Vice President
/s/ GURMINDER S. BEDI Gurminder S. Bedi	Director
/s/ MARK E. GOLDSTEIN Mark E. Goldstein	Director and President
/s/ WILLIAM K. HALL William K. Hall	Director
/s/ THOMAS J. FISCHER Thomas J. Fischer	Director
/s/ ROBERT A. PETERSON Robert A. Peterson	Director
/s/ DENNIS K. WILLIAMS Dennis K. Williams	Director
/s/ HOLLY A. VANDEURSEN Holly A. VanDeursen	Director
/s/ R. ALAN HUNTER, JR R. Alan Hunter, Jr.	Director
/s/ ANDREW G. LAMPEREUR Andrew G. Lampereur	Executive Vice President and Chief Financial Officer (Principal Financial Officer)
/s/ MATTHEW P. PAULI Matthew P. Pauli	Corporate Controller and Principal Accounting Officer

* Each of the above signatures is affixed as of October 25, 2013.

ACTUANT CORPORATION
(the "Registrant")
(Commission File No. 1-11288)

ANNUAL REPORT ON FORM 10-K

FOR THE FISCAL YEAR ENDED AUGUST 31,2013

INDEX TO EXHIBITS

Exhibit	Description	Incorporated Herein By Reference To	Filed Herewith	Furnished Herewith
2.1	(a) Agreement for the Sale and Purchase of Venice Topco Limited, dated August 2, 2013, by and among HSBC Investment Bank Holdings PLC, Actuant Acquisitions Limited, Actuant Corporation and certain other parties thereto		X	
	(b) Warranty Deed relating to the Sale and Purchase of Venice Topco Limited, by and among Actuant Acquisitions Limited and the Management Warrantors that are party thereto		X	
3.1	(a) Amended and Restated Articles of Incorporation	Exhibit 4.9 to the Registrant's Form 10-Q for the quarter ended February 28, 2001		
	(b) Amendment to Amended and Restated Articles of Incorporation	Exhibit 3.1(b) of the Registrant's Form 10-K for the fiscal year ended August 31, 2003		
	(c) Amendment to Amended and Restated Articles of Incorporation	Exhibit 3.1 to the Registrant's Form 10-K for the fiscal year ended August 31, 2004		
	(d) Amendment to Amended and Restated Articles of Incorporation	Exhibit 3.1 to the Registrant's Form 8-K filed on July 18, 2006		
	(e) Amendment of Amended and Restated Articles of Incorporation	Exhibit 3.1 to the Registrant's Form 8-K filed on January 14, 2010		
3.2	Amended and Restated Bylaws, as amended		X	
4.1	Indenture dated April 16, 2012 by and among Actuant Corporation, the subsidiary guarantors named therein and U.S. Bank National Association as trustee relating to $300 million Actuant Corporation 5 5/8% Senior Notes due 2022	Exhibit 4.1 to the Company's Current Report on Form 8-K filed on April 18, 2012		

Exhibit	Description	Incorporated Herein By Reference To	Filed Herewith	Furnished Herewith
4.2	Registration Rights Agreement, dated April 16, 2012, relating to $300 million of 5 5/8% Senior Notes due 2022	Exhibit 10.1 to the Company's Current Report on Form 8-K filed on April 18, 2012		
4.3	Third Amended and Restated Credit Agreement dated February 23, 2011 among Actuant Corporation, the Lenders party thereto and JPMorgan Chase Bank, N.A. as the agent	Exhibit 10.1 to the Registrant's Form 10-Q for the quarter ended February 28, 2011		
4.4	Omnibus Amendment No. 1 dated September 23, 2011 among Actuant Corporation, the Lender party thereto and JPMorgan Chase Bank, N.A. as agent	Exhibit 4.9 to the Registrant's Form 10-K for the fiscal year ended August 31, 2011.		
4.5	(a) Fourth Amended and Restated Credit Agreement dated July 18, 2013 among Actuant Corporation, the Lenders party thereto and JPMorgan Chase Bank, N.A. as the agent		X	
	(b) First Amendment to the Fourth Amended and Restated Credit Agreement dated August 27, 2013 among Actuant Corporation, the Lenders party thereto and JPMorgan Chase Bank, N.A. as the agent		X	
10.1	Outside Directors' Deferred Compensation Plan (conformed through the first amendment)		X	
10.2	Actuant Corporation Deferred Compensation Plan (conformed through the third amendment)	Exhibit 10.3 to the Registrant's Form 10-K for the fiscal year ended August 31, 2012		
10.3	Actuant Corporation 2010 Employee Stock Purchase Plan	Exhibit B to the Registrants Proxy Statement, dated December 4, 2009		
10.4	(a) Actuant Corporation 2001 Stock Plan	Exhibit B to the Registrant's Proxy Statement, dated December 1, 2000 for the 2001 Annual Meeting of Shareholders		
	(b) First Amendment to the Actuant Corporation 2001 Stock Plan dated December 25, 2008	Exhibit 10.9 to the Registrant's Form 10-Q for the quarter ended November 30, 2008		

Exhibit	Description	Incorporated Herein By Reference To	Filed Herewith	Furnished Herewith
10.5	(a) Actuant Corporation 2002 Stock Plan, as amended (through third amendment)	Exhibit 10.26 to the Registrant's Form 8-K filed on January 20, 2006		
	(b) Fourth Amendment to the Actuant Corporation 2002 Stock Plan dated November 7, 2008	Exhibit 10.11 to the Registrant's Form 10-Q for the quarter ended November 30, 2008		
10.6	Actuant Corporation 2009 Omnibus Incentive Plan, conformed to reflect the Second Amendment thereto	Exhibit 99.1 to the Registrant's Form 8-K filed on January 17, 2013		
10.7	(a) Actuant Corporation 2001 Outside Directors' Stock Plan	Exhibit A to the Registrant's Proxy Statement, dated December 5, 2005 for the 2006 Annual Meeting of Shareholders		
	(b) First Amendment to the Amended and Restated Actuant Corporation 2001 Outside Directors' Stock Plan dated December 25, 2008	Exhibit 10.10 to the Registrant's Form 10-Q for the quarter ended November 30, 2008		
10.8	Actuant Corporation Long Term Incentive Plan	Exhibit 10.25 to the Registrant's Form 8-K filed on July 12, 2006		
10.9	Form of Indemnification Agreement for Directors and Officers	Exhibit 10.35 to the 2002 10-K		
10.10	(a) Form of Actuant Corporation Change in Control Agreement for Messrs. Arzbaecher, Blackmore, Goldstein, Kobylinski, Lampereur, Scheer, Wozniak, Ms. Grissom and Ms. Roberts	Exhibit 10.1 to the Registrant's Form 8-K filed on May 2, 2012		
	(b) Form of Actuant Corporation Change in Control Agreement for Messrs. Axline and Boel	Exhibit 10.2 to the Registrant's Form 8-K filed on May 2, 2012		
	(c) Amendment to Actuant Corporation Change in Control Agreement for Mr. Scheer		X	
10.11	Actuant Corporation Executive Officer Bonus Plan	Exhibit B to the Registrant's Definitive Proxy statement dated December 3, 2012		

Exhibit	Description	Incorporated Herein By Reference To	Filed Herewith	Furnished Herewith
10.12*	Retention Bonus Agreement between Actuant Corporation and Mr. Scheer		X	
10.13	Consulting Services Agreement between Actuant Corporation and Mr. Boel		X	
10.14	Consulting Services Agreement between Actuant Corporation and Mr. Axline		X	
14	Code of Ethics	Exhibit 14 of the Registrant's Form 10-K for the fiscal year ended August 31, 2003		
21	Subsidiaries of the Registrant		X	
23	Consent of PricewaterhouseCoopers LLP		X	
24	Power of Attorney		See signature page of this report	
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002		X	
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002		X	
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002			X
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002			X

Exhibit	Description	Incorporated Herein By Reference To	Filed Herewith	Furnished Herewith
101	The following materials from the Actuant Corporation Form 10-K for the year ended August 31, 2013 formatted in Extensible Business Reporting Language (XBRL): (i) the Consolidated Statements of Earnings, (ii) the Consolidated Statements of Comprehensive Income, (iii) the Consolidated Balance Sheets, (iv) the Consolidated Statements of Cash Flows and (v) the Notes to Consolidated Financial Statements.		X	

*Confidential treatment requested for portions of this document. Portions for which confidential treatment is requested have been marked with three asterisks [***] and a footnote indicating "Confidential treatment requested". Material omitted has been filed separately with the Securities and Exchange Commission.

Exhibit 2.1(a)

AGREEMENT FOR THE SALE AND PURCHASE OF VENICE TOPCO LIMITED

DATED 2 AUGUST 2013

THE INSTITUTIONAL SELLER

AND

THE SENIOR MANAGEMENT SELLERS

AND

THE OTHER SELLERS

AND

THE MANAGERS

AND

THE PURCHASER

AND

THE GUARANTOR

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Signatories 56

THIS AGREEMENT is made on 2 August 2013

BETWEEN:

(1) **HSBC INVESTMENT BANK HOLDINGS PLC** whose address is set out in Part 1 of Schedule 1 (*The Sellers*) (the **Institutional Seller**);

(2) **THE PERSONS** whose names and addresses are set out in Part 2 of Schedule 1 (*The Sellers*) (each a **Senior Management Seller** and together the **Senior Management Sellers**);

(3) **THE PERSONS** whose names and addresses are set out in Part 3 of Schedule 1 (*The Sellers*) (each a **Manager** and together the **Managers**);

(4) **THE PERSONS** whose names and addresses are set out in Part 4 of Schedule 1 (*The Sellers*) (each an **Other Seller** and together the **Other Sellers**, and together with the Institutional Seller and the Senior Management Sellers, the **Sellers**, and **Seller** shall be construed accordingly);

(5) **ACTUANT ACQUISITIONS LIMITED** (registered number 07633576) whose address is Unit 601 Axcess 10 Business Park, Bentley Road South, Darlaston, West Midlands WS10 8LQ, United Kingdom (the **Purchaser**); and

(6) **ACTUANT CORPORATION** whose address is N86 W12500 Westbrook Crossing, Menomonee Falls, Wisconsin 53051, United States (the **Guarantor**).

BACKGROUND:

(A) The Sellers together own the entire issued share capital of Venice Topco Limited (the **Company**). Details of the Company are contained in Schedule 2 (*Company Details*).

(B) The Sellers wish to sell and the Purchaser wishes to purchase all the issued share capital of the Company free from any Encumbrances on the terms, and subject to the conditions, set out in this agreement.

(C) The Guarantor is the ultimate holding company of the Purchaser and wishes to guarantee all of the obligations of the Purchaser arising pursuant to this agreement.

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this agreement:

A Ordinary Shares means the A ordinary shares of £0.001 each in the capital of the Company;

Accounts Date means 31 December 2012;

Affiliates means in relation to:

(a) a nominee – the beneficial owner in respect of which the nominee is holding Shares or another nominee of the same beneficial owner;

(b) a corporation – its subsidiaries, its holding company and any other subsidiaries of that holding company;

(c) a fund managed professionally for investment purposes or any person managing the investments of such a fund and/or:

(i) any other person or persons managing the investments of such funds or which are within the same wholly owned group as any person managing the investments of such funds or is or are a nominee or trustee for any of such persons;

(ii) a nominee holding assets for such fund;
or

(iii) another fund which is controlled or managed by the same fund manager or by another member of the same wholly owned group as such fund manager or any nominee holding assets for any such other fund;

Agreed Form means, in relation to a document, the agreed form of that document which the Institutional Seller Representative, the Purchaser and the Senior Management Representative each initial for identification purposes;

Alix Partners Payment means the payment that will be paid to Alix Partners Ltd on Completion of the Transaction, such amount being eighty thousand British Pounds Sterling (£80,000);

B Ordinary Shares means the B ordinary shares of £0.001 each in the capital of the Company;

Bayliss Claim has the meaning given in clause 4.2 (*Escrow Account and Conduct of Claims*);

Bayliss Shares means the shares sold to William John Bayliss pursuant to the sale and purchase agreement dated 22 November 2012 between the Institutional Seller and William John Bayliss;

Books and Records has its common law meaning and includes, without limitation, all notices, correspondence, orders, inquiries, drawings, plans, books of account and other documents and all computer disks or tapes, other machine legible programmes or other records (excluding software);

Business means the business carried on by the Group as at, and before, Completion and includes any part of it;

Business Day means a day (other than a Saturday or Sunday or public holiday) on which banks are generally open in London or New York for normal business;

C Ordinary Shares means the C ordinary shares of £0.001 each in the capital of the Company;

Capex Creditors includes unpaid amounts in respect of Capex Prepayments and amounts owed following the capitalisation of associated fixed asset additions (including trade creditors and other creditors in this respect);

Capex Prepayments includes payments made in advance of the capitalisation of fixed asset additions, including deposits and stage payments on long lead assets;

Claim means any claim by the Purchaser or the Guarantor under or in connection with this agreement (but excluding any claim under clause 8.6 (*Payment of adjustment*));

Company has the meaning given to it in recital (A);

Competition Approval means: (a) the NCA confirming that the sale of the Shares is approved by it (either unconditionally or subject to the fulfilment of conditions, commitments or undertakings consented to by the Purchaser under clause 5.2 (*Satisfaction of the Completion Condition*)); (b) the NCA confirming that the sale of Shares need not be approved by it; or (c) approval of the sale of the Shares being deemed to be given by operation of applicable Norwegian law;

Completion means completion of the sale and purchase of the Shares against the names of the Sellers in accordance with this agreement;

Completion Amount means the amount specified as such in the Completion Statement;

Completion Condition has the meaning given to it in clause 5.1 (*Conditions*);

Completion Date means the date on which Completion occurs;

Completion Statement means the written statement prepared in good faith by the Institutional Seller in accordance with Schedule 5 (*Basis of Preparation of Completion Statement and Final Completion Statement*) and Schedule 6 (*Pro Forma Completion Statement*);

Consideration means the aggregate of the Enterprise Valuation, less the Final Net Debt, less Exit Bonuses, less Transaction Fees, adjusted in accordance with clause 8.7 (*Adjustments*);

Court Order has the meaning given to it in clause 5.1 (*Conditions*);

Debt has the meaning given to it in paragraph 2.12 of Schedule 5 (*Basis of Preparation of Completion Statement and Final Completion Statement*);

Determined Claim has the meaning given to it in clause 4.3(a) (*Escrow Account and Conduct of Claims*);

Determined Liability has the meaning given to it in clause 4.3(a) (*Escrow Account and Conduct of Claims*);

Director means a person who is, at the date of this agreement, a director of a Group Company;

Directors' and Officers' Run-off Insurance means the extension of the D&O insurance policy covering certain directors and officers in respect of a period of 72 months after the date on which Completion occurs which will be in Agreed Form at the Completion Date.

Disputed Amounts has the meaning given to it in sub-clause 8.3(a) (*Details required in the Objection Notice*);

Effective Time means 23:59 on the day before the Completion Date;

Electronic Communication means an electronic communication as defined in the Electronic Communications Act 2000;

Employee means an individual who has entered into or works under a contract of employment with any Group Company and also includes any director or other officer of any Group Company whether or not he has entered into or works or worked under a contract of employment with any Group Company;

Encumbrances means any mortgage, charge (fixed or floating), pledge, lien, option, right to acquire, right of pre-emption, assignment by way of security or trust arrangement for the purpose of providing security or other security interest of any kind (including any retention arrangement), or any agreement to create any of the foregoing and, as to the Shares, any voting agreement, proxy option or restriction on transfer (other than any restriction which is contained in the articles of association of the Company);

Enterprise Valuation means one hundred and fifty million British Pounds Sterling (£150,000,000);

Escrow Account means the interest-bearing deposit account held with the Escrow Agent in accordance with the Escrow Agreement or such other account as the Institutional Seller and the Purchaser may from time to time designate for the purpose of holding the Escrow Sum;

Escrow Agent means JPMorgan Chase Bank NA or such other agent as may be agreed between the Institutional Seller's Representative and the Purchaser;

Escrow Agreement means the escrow agreement in the Agreed Form at Completion to be entered into between the Institutional Seller's Representative, the Purchaser and the Escrow Agent;

Escrow Sum means the sum of two hundred and twenty five thousand British Pounds Sterling (£225,000) to be paid into the Escrow Account under clause 4 (*Escrow Account and Conduct of Claims*), or such principal sum as shall remain in the Escrow Account for the time being;

Exit Bonuses means the sum payable to Christopher Forde, the sum payable to Tony Alexander, the sum payable to Christopher Chapman, the sum payable to Michael Main, the sum payable to Mathew Wells, the sum payable to Janice O'Brien and the sum payable to Jane Scott, in each case under such Exit Bonus Payee's respective Exit Bonus Letter and conditional upon Completion occurring;

Exit Bonus Letters means, in respect of an Exit Bonus Payee, the letter between him and Viking SeaTech Limited in respect of his Exit Bonus;

Exit Bonus Payees means Christopher Forde, Tony Alexander, Christopher Chapman, Michael Main, Mathew Wells, Janice O'Brien and Jane Scott;

External Facilities means the Junior Debt and the Senior Debt;

External Facilities Repayment Amount means all amounts owing in respect of the External Facilities including all unpaid interest and other amounts accrued as at the Effective Time and all sums becoming due and payable on Completion, including any break costs, premium or similar payment;

Final Completion Statement means the written statement prepared in good faith by the Purchaser in the format set out in Schedule 5 (*Basis of Preparation of Completion Statement and Final Completion Statement*) and Schedule 7 (*Pro Forma Final Completion Statement*);

Final Net Debt means the amount of Debt as calculated in accordance with Schedule 5 (*Basis of Preparation of Completion Statement and Final Completion Statement*) and Schedule 7 (*Pro Forma Final Completion Statement*), which includes the External Facilities Repayment Amount, less all cash;

Final Working Capital means the amount as calculated in accordance with Schedule 5 (*Basis of Preparation of Completion Statement and Final Completion Statement*) and Schedule 7 (*Pro Forma Final Completion Statement*);

Group means, together, the Company and its Subsidiaries;

Group Companies means the Company and its Subsidiaries and **Group Company** means any one of them;

HMRC means Her Majesty's Revenue and Customs;

holding company has the meaning given in section 1159 of the Companies Act 2006;

Independent Accountants has the meaning given in clause 8.4 (*Referral to an Independent Accountant*);

Inflexion means Inflexion Fund 2 Limited Partnership (acting through its general partner Inflexion Scottish Limited Partnership in turn acting through its general partner Inflexion General Partner Limited) and Inflexion Moorings Co-Investment A Limited Partnership (acting through its general partner Inflexion G.P. Limited);

Institutional Seller Director means each of Donald Featherstone, Patrick Sixsmith, Richard Cole, Anthony Bernbaum and Michael Kershaw;

Institutional Seller Representative means Michael Kershaw, Chief Investment Officer, Principal Investments, HSBC Bank plc, whose details are set out in sub-clause 14.1(b) (*Delivery*);

Institutional Seller's Group means the Institutional Seller and each of its subsidiaries, all its holding companies and all the other subsidiaries of each of its holding companies (other than the Group Companies) and **member of the Institutional Seller's Group** shall be construed accordingly;

Institutional Seller's Solicitors means Allen & Overy LLP of One Bishops Square, London E1 6AD;

Interest means, in relation to an adjusting payment under clause 8.6 (*Payment of adjustment*), an amount equivalent to simple interest calculated daily on a 365-day basis at the rate of 1% per annum above the Reference Interest Rate;

Interim Working Capital Adjustment means: (i) if the Working Capital Estimate is less than £6,000,000, the amount of such deficiency (a negative amount); and (ii) if the Working Capital Estimate is greater than £8,500,000, the amount of such excess;

Junior Debt means amounts outstanding under the:

(a) £42,000,000 15% subordinated redeemable loan notes due 2019 of Venice Fundco Limited issued to the Institutional Seller; and

(b) £3,500,000 loan agreement dated 15 November 2010 between, amongst others, the Institutional Seller as lender and Venice Fundco Limited as borrower;

Junior Deed of Release means each deed of release between the Institutional Seller and the relevant members of the Group in respect of all security granted by members of the Group in favour of the Institutional Seller in connection with the Junior Debt;

Key Employees means the Senior Management Sellers, the Managers, Tom Bower, John Dick, Mathew Wells, Janice O'Brien, Matthew Gordon, Ronnie Coull, Gus Smart, Donald Taylor, Brian Reid, Anne Lorup, Irene Marken, Trond Waldow, Kare Pederson, Knut Fisketjon, Anna Keen, Jamie Scoringe, Mike Kochalski, Wenchao Zhang and Gavin Crossan;

Limited Participation Shares means the limited participation shares of £0.001 each in the capital of the Company;

Longstop Date means 31 October 2013;

Lundin Arrangement includes equipment being supplied on a rental basis to satisfy the client (Lundin Norway) requirements being called off against Lundin Frame Agreement No. LNAS 000290 with Viking Seatech Norge AS, to support the Island Innovator drilling programme. Viking Seatech Norge AS is providing this equipment both from its existing hire asset fleet and by the purchase of additional equipment where required;

Management Accounts means the unaudited consolidated balance sheet, profit and loss statement and cash flow statement of the Group in respect of the accounting period commencing on the day after the Accounts Date and ended on 30 June 2013, including all notes to such statements;

Material Adverse Change means any change, event or effect that will or would reasonably be expected to be material and adverse to the business, operations, assets, position (financial, trading or otherwise), profits or prospects of the Group taken as a whole, excluding, in any such case, any change resulting from (or in the case of paragraph (e) attributable to):

(a) changes in stock markets, interest rates, exchange rates, commodity prices or other general economic conditions save where such changes have or are reasonably expected to have a disproportionate adverse effect on the Group taken as a whole;

(b) changes in conditions generally affecting the oil services industry save where such changes have or are reasonably expected to have a disproportionate adverse effect on the Group taken as a whole;

(c) war or political unrest in any country or region save where such event has or is reasonably expected to have a disproportionate adverse effect on the Group taken as a whole;

(d) changes in laws or regulations save where such changes have or are reasonably expected to have a disproportionate adverse effect on the Group taken as a whole; or

(e) the disclosure of the identity of the Purchaser;

NCA means the Norwegian Competition Authority;

Net Debt Estimate means the Institutional Seller's good faith estimate of Final Net Debt as at the Effective Time delivered to the Purchaser in accordance with clause 6.6 (*Delivery by Institutional Seller)*;

Norwegian Defined Benefit Pension Scheme means the defined benefit pension scheme arranged with Storebrand Livsforsikring AS by each of Viking Sea Tech Holdings Norge AS, Viking Sea Tech Group Norge AS and Viking SeaTech Norge AS entitling the employees to the following pension benefits: retirement/old age pension, disability pension, spouse/cohabitant pension and child pension;

Objection Notice has the meaning given to it in clause 8.2 (*Objection Notice*);

Other Sellers' Solicitors means Eversheds LLP, Bridgewater Place, Water Lane, Leeds, LS11 5DR;

Permitted Security Interest means:

(a) any unpaid vendor's or supplier's lien arising in the ordinary course of the Business in order to secure amounts which are due for goods or services sold or supplied; and

(b) liens arising by operation of law, including a banker's lien;

Purchaser's Group means the Purchaser and all its subsidiaries, all its direct or indirect holding companies and all the other subsidiaries of each of its direct or indirect holding companies and **member of the Purchaser's Group** shall be construed accordingly;

Purchaser's Solicitors means McDermott Will & Emery UK LLP of 110 Bishopsgate, London EC2N 4AY;

Reference Interest Rate means:

(a) if the relevant day is a Business Day:

(i) the rate for deposits in £ for a period of three months which appears on Reuters Page "LIBOR01" as at 11am London time; or

(ii) the London Inter Bank Offered Rate for deposits in £ for a period of three months as quoted in the London Financial Times, if the rate is not available on Reuters Page "LIBOR01"; or

(b) if the relevant day is not a Business Day:

(i) the rate for deposits in £ for a period of three months which appears on Reuters Page "LIBOR01" as at 11am London time on the immediately preceding Business Day; or

(ii) the London Inter Bank Offered Rate for deposits in £ for a period of three months as quoted in the London Financial Times on the immediately preceding Business Day, if the rate is not available on Reuters Page "LIBOR01";

Release Date has the meaning given in clause 4.3 (*Escrow Account and Conduct of Claims*);

Senior Debt means amounts outstanding under the Senior Facilities Agreement;

Senior Deed of Release means each deed of release between DNB Bank ASA as the senior security agent and the relevant members of the Group in respect of all security granted by members of the Group in favour of DNB Bank ASA in connection with the Senior Debt;

Senior Facilities Agreement means the £73,000,000 senior facilities agreement dated 7 December 2011 between, amongst others, the Company, Venice Fundco Limited and DNB Bank ASA as facility agent and senior security agent, as amended;

Senior Management Representative means William John Bayliss, Group Chief Executive, Viking SeaTech, whose details are set out in sub-clause 14.1(d) (*Delivery*);

Senior Management Sellers' Solicitors means Addleshaw Goddard LLP of 100 Barbirolli Square, Manchester M2 3AB;

Shares means the A Ordinary Shares, B Ordinary Shares, C Ordinary Shares and Limited Participation Shares;

Songa Matter means any fact, matter or circumstance relating to transactions entered into by any or all of Viking Moorings (AUS) Pty Limited (now known as Viking Sea Tech (Australia) Pty Ltd) (**Viking**), Songa Rig AS (**Songa**) and Laiwu Steel Group Zibo Anchor Chain Co Ltd (**Zibo**) in relation to the manufacture by Zibo or the sale by Viking to Songa of anchor chains for offshore operational mooring purposes on oil rigs in the North Sea pursuant to:

(a) a supply contract entered into in May 2010 between Viking and Songa comprising purchase orders TRYMAR1801778 and TRYMAR1801779; and

(b) a manufacturing contract entered into in May 2010 between Viking and Zibo comprising purchase orders 0000051 and 0000052;

Subsidiary has the meaning given in section 1159 of the Companies Act 2006;

Target Working Capital Range means £6,000,000 to £8,500,000;

Tax means all forms of taxation, duties, levies, imposts and social security charges, whether direct or indirect, including corporate income tax, wage withholding tax, national social security contributions and employee social security contributions, value added tax, customs and excise duties, capital tax and other legal transaction taxes, dividend withholding tax, land taxes, environmental taxes and duties and any other type of taxes or duties payable by virtue of any applicable national, regional or local law or regulation and which may be due directly or by virtue of joint and several liability in any relevant jurisdiction; together with any interest, penalties, surcharges or fines relating to them, due, payable, levied, imposed upon or claimed to be owed in any relevant jurisdiction;

Tax Dispute has the meaning given in clause 4.11 (*Escrow Account and Conduct of Claims*);

Tax Matter has the meaning given in clause 4.10 (*Escrow Account and Conduct of Claims*);

Transaction means the proposed acquisition of the Shares by the Purchaser;

Transaction Documents means this agreement and any other document entered into or to be entered into under this agreement, including the Warranty Deed;

Transaction Fees means the total professional and/or advisory fees incurred (and unpaid) or outstanding and to be paid by the Group in respect of the period prior to Completion (and Directors' and Officers' Run-off Insurance costs incurred prior to and after Completion) in connection with the Transaction (and as set out in Schedule 6 (*Pro Forma Completion Statement*)) being those of or in respect of:

(a) HSBC M&A fees;

(b) KPMG Vendor Assist;

(c) KPMG Audit;

(d) E&Y Tax;

(e) Norton Rose LLP;

(f) KPMG Vendor Due Diligence;

(g) Merrill Corporation;

(h) Pinsent Masons LLP;

(i) Clayton Utz LLP;

(j) Schjodt;

(k) Wong Partnership;

(l) IHS fees;

(m) Directors' & Officers' Run-off Insurance;

(n) Alix Partners Payment; and

(o) any other third party professional advisory fees and expenses incurred by the Group at the Institutional Seller's request in connection with the Transaction and which are unpaid (whether unbilled or the subject of an outstanding invoice);

Transfer Taxes means any stamp, registration, documentary, transaction, goods, sales, value added, use, real estate or other indirect or transfer Tax;

UK GAAP means all Statements of Standard Accounting Practice, Financial Reporting Standards and Urgent Issues Task Force Abstracts issued by the Accounting Standards Board, and mandatory as at the Effective Time;

Wandl Shares means the shares in the Company that will be sold pursuant to the Wandl SPA;

Wandl SPA means the agreement between WW Moor AS and the Institutional Seller dated the date of this agreement and pursuant to which the Wandl Shares will be sold to the Institutional Seller;

Warranties means the warranties given by the Institutional Seller and the Other Sellers to the Purchaser in clause 9.1 (*Warranties*) and **Warranty** means any one of them;

Warranty Deed means the deed entered into between, amongst others, the Purchaser and the Senior Management Sellers dated on or around the date of this agreement;

Working Capital Adjustment means: (i) if the Final Working Capital is less than £6,000,000, the amount of such deficiency (a negative amount); and (ii) if the Final Working Capital is greater than £8,500,000, the amount of such excess; and

Working Capital Estimate means the amount set out in Schedule 6 (*Pro Forma Completion Statement*).

1.2 **Statutes**

In this agreement any reference, express or implied, to an enactment (which includes any legislation in any jurisdiction) includes:

(a) that enactment as amended, extended or applied by or under any other enactment (before, on or after the date of this agreement);

(b) any enactment which that enactment re-enacts (with or without modification); and

(c) any subordinate legislation (including regulations) made (before, on or after the date of this agreement) under that enactment, including (where applicable) that enactment as amended, extended or applied as described in subparagraph (a), or under any enactment which it re-enacts as described in subparagraph (b),

except to the extent that any legislation or subordinate legislation made or enacted after the date of this agreement would create or increase the liability of any Seller under this agreement.

1.3 **Interpretation**

In this agreement:

(a) words denoting persons include bodies corporate and unincorporated associations of persons;

(b) references to an individual include his estate and personal representatives;

(c) subject to clause 17 (*Assignments*), references to a party to this agreement include the successors or permitted assigns (immediate or otherwise) of that party;

(d) a person shall be deemed **connected** with another if that person is connected with that other within the meaning of sections 1122 and 1123 of the Corporation Tax Act 2010 other than sections 1122(4) and 1122(7), except that no Seller shall be connected with the Purchaser or any Group Company, nor shall any Seller be connected with any other Seller (or a connected person of another Seller) by virtue of the transactions contemplated by this agreement or being a holder of Shares in the Company;

(e) the words **including** and **include** shall mean including without limitation and include without limitation, respectively;

(f) the singular includes the plural (and vice versa);

(g) any reference importing a gender includes the other genders;

(h) any reference to a time of day is to London time;

(i) any reference to **£** is to British Pounds Sterling;

(j) any reference to writing includes typing, printing, lithography, photography and facsimile but excludes any other form of Electronic Communication;

(k) any reference to a document is to that document as amended, varied or novated from time to time otherwise than in breach of this agreement or that document;

(l) any reference to a company includes any company, corporation or other body corporate wheresoever incorporated;

(m) any reference to a company or firm includes any company or firm in succession to all, or substantially all, of the business of that company or firm;

(n) unless the contrary intention appears, a reference to a clause, sub-clause or schedule is a reference to a clause, sub-clause or schedule of or to this agreement. The schedules, and the recitals in the Background section, form part of this agreement;

(o) the headings do not affect its interpretation;

(p) if there is any conflict or inconsistency between a term in the body of this agreement and a term in any of the schedules, the term in the body of this agreement shall take precedence;

(q) the *ejusdem generis* rule does not apply. Accordingly, specific words indicating a type, class or category of thing shall not restrict the meaning of general words following such specific words, such as general words introduced by the word "other" or a similar expression. Similarly, general words followed by specific words shall not be restricted in meaning to the type, class or category of thing indicated by such specific words;

(r) a reference to any English legal term for any action, remedy, method or form of judicial proceeding, legal document, court or other legal concept or matter shall be deemed to include a reference to the corresponding or most similar legal term in any jurisdiction other than England, to the extent that such jurisdiction is relevant to the Transaction; and

(s) notices to be provided under clauses 6.1(c), 6.3 and 6.4 may be provided by email.

2. SALE AND PURCHASE

2.1 Sale and purchase

Subject to the Completion Condition being satisfied, each of the Sellers shall sell and the Purchaser shall purchase full legal and beneficial title to those Shares set out opposite the name of such Seller in Schedule 1 (*The Sellers*), on the terms set out in this agreement.

2.2 Encumbrances

The Shares shall be sold free from all Encumbrances and together with all rights attaching to them, on the terms set out in this agreement.

2.3 No obligation to complete

Neither the Sellers nor the Purchaser shall be obliged to complete the sale or purchase of any of the Shares unless all of the Shares are sold and purchased simultaneously.

3. CONSIDERATION

3.1 Apportionment

The consideration for the sale of the Shares shall be the Consideration. The Consideration shall be apportioned between the Sellers in proportion to their respective shareholdings as set out in the column "Percentage of Consideration" in Schedule 1 (*The Sellers*).

3.2 Reduction of Consideration

Any payment made by a Seller to the Purchaser under this agreement (whether as damages for breach, under a covenant to pay or otherwise) shall, to the extent possible, be deemed to reduce the Consideration paid for the Shares sold by that Seller.

4. ESCROW ACCOUNT AND CONDUCT OF CLAIMS

4.1 The Escrow Account shall be operated, and the Escrow Sum and interest accruing on it (or any part of it) shall be applied, in accordance with this clause and the provisions of the Escrow Agreement. On Completion, the Purchaser shall procure the payment of the Escrow Sum to the Escrow Account.

4.2 If HMRC delivers to the Company a notice of assessment alleging an underpayment of Class 1 national insurance contributions by reason of the Bayliss Shares being classed as "readily convertible assets" for the purposes of section 702 Income Tax (Earnings and Pensions) Act 2003 when they were acquired by William Bayliss (a **Bayliss Claim**), then if the Bayliss Claim becomes a Determined Claim before the Release Date, an amount equal thereto shall be paid to the Purchaser from the Escrow Account.

4.3 In clause 4.2 (*Escrow Account and Conduct of Claims*) above:

(a) a **Determined Claim** means a Bayliss Claim which is either:

(i) agreed by the Institutional Seller in writing (including, but not limited to, agreement on the quantum of the Bayliss Claim); or

(ii) adjudged final by any judgment or settlement order, that judgment or order being incapable of appeal or where the persons entitled to appeal have elected in writing not to appeal, or any time period for appeal has expired without the relevant right of appeal having been validly exercised,

and, in each case, the amount payable (as agreed by the Institutional Seller's Representative or as determined by the judgment or settlement order (as the case may be)) shall be the **Determined Liability**).

4.4 The balance of the Escrow Sum after the payment of the aggregate of all outstanding Determined Liabilities under clause 4.2 (*Escrow Account and Conduct of Claims*) (if any) shall be released to the Sellers on 20 May 2014 (the **Release Date**).

4.5 If there has been a Bayliss Claim that has not become a Determined Claim on or before the Release Date, then the Escrow Amount will remain in the Escrow Account pending such Bayliss Claim becoming a Determined Claim in accordance with clause 4.3 (*Escrow Account and Conduct of Claims*). Within 10 Business Days of such Bayliss Claim becoming a Determined Claim, an amount equal to any Determined Liabities in respect of that Determined Claim shall be paid to the Purchaser from the Escrow Account and the balance of the Escrow Sum (if any) shall be released to the Sellers.

4.6 Any interest which accrues on the Escrow Sum (or any part of it) while in the Escrow Account shall follow the principal amount and shall be paid to the Sellers or the Purchaser (as the case may be) at the same time as payment of the corresponding principal.

4.7 Each Seller shall be entitled to that percentage set against its name in the column "Percentage of Consideration" in Schedule 1 (*The Sellers*) of any sum released to the Sellers from the Escrow Account under this clause 4 (*Escrow Account and Conduct of Claims*).

4.8 The Institutional Seller's Representative shall prior to Completion promptly give or join in giving all such instructions as are necessary to procure the entry into of the Escrow Agreement and, after Completion the operation of the Escrow Account, and application of the Escrow Sum and interest accruing on it (or any part of it), in accordance with the provisions of this clause and the Escrow Agreement.

4.9 The Purchaser shall procure that the fees and expenses of the Escrow Agent shall be borne by the Company.

4.10 If the Purchaser or any member of the Purchaser's Group becomes aware of an assessment notice, letter, demand or other document issued or action taken by or on behalf of any tax authority or any form of return, computation, account, other document or self-assessment required by law from which it appears that a Group Company is subject to, or is sought to be made subject to, or will or might become subject to, any Tax liability (including but not limited to the imposition or withholding of or on account of any Tax or any amount in the nature of Tax) with respect to a Bayliss Claim (a **Tax Matter**), the Purchaser shall give notice to the Institutional Seller specifying that Tax Matter in reasonable detail as soon as reasonably practicable (and in any event within 10 Business Days) after it or the relevant member of the Purchaser's Group (as the case may be) becomes aware of that Tax Matter.

4.11 The Institutional Seller may give notice to the Purchaser that it elects to assume the conduct of any dispute, compromise, defence or appeal of a Tax Matter (a **Tax Dispute**) within 15 Business Days of receiving notice of the Tax Matter pursuant to clause 4.10 on the following terms in which case:

(a) the Institutional Seller shall indemnify the Company against all liabilities, damages, costs and expenses that it may reasonably incur in taking any such action as the Institutional Seller may request pursuant to sub-paragraph (c) below (including any additional liability in respect of Taxation that arises as a result of any actions of the Institutional Seller, (save to the extent that such liability constitutes a Determined Liability), and third party costs and expenses);

(b) the Purchaser shall make and shall procure that the Company makes available to the Institutional Seller and its advisers such access to personnel and to relevant documents and records within the Purchaser's or the Company's power or control as the Institutional Seller may reasonably request for assessing, contesting, disputing, defending, appealing or compromising the Tax Dispute;

(c) the Purchaser shall procure that the Company takes such action to contest, dispute, defend, appeal or compromise the Tax Dispute as the Institutional Seller may reasonably request and does not make any admission of liability, agreement, settlement or compromise in relation to the Tax Dispute without the prior written approval of the Institutional Seller;

(d) the Institutional Seller shall keep the Purchaser informed of the progress of the Tax Dispute and provide the Purchaser with copies of all relevant documents and such other information in its possession as may be requested by the Purchaser (acting reasonably);

(e) the Institutional Seller shall be entitled at any stage and in its sole discretion (acting in good faith) to enter into a final settlement of any Tax Dispute; and

(f) notwithstanding sub-paragraph (c) above, the Purchaser and the Company shall not be obliged to comply with any request of the Institutional Seller which involves appealing, or otherwise taking any action in respect of, any Tax Dispute beyond the first appellate body (excluding the tax authority which has made the Tax Matter in question, the statutory pre-tribunal review and the tax chamber of the first-tier tribunal) unless the Institutional Seller (at its sole cost and expense) furnishes the Purchaser with the written opinion of tax counsel of at least ten years' call who is experienced in the subject matter of the Tax Dispute to the effect that there is a reasonable prospect that the appeal in respect of the matter in question will succeed; and (ii) the Purchaser and the Company shall not be obliged to take any action in relation to a Tax Dispute where any tax authority alleges in writing (which allegation is not withdrawn) fraudulent conduct or conduct involving dishonesty has been committed in relation to such Tax Matter.

4.12 If:

(a) within 15 Business Days of having given written notice to the Institutional Seller of a Tax Matter, the Purchaser does not receive from the Institutional Seller notification of an election under Clause 4.11; or

(b) any tax authority alleges in writing that fraudulent conduct or conduct involving dishonesty has been committed in relation to such Tax Matter, and such allegation is not withdrawn after the Institutional Seller has had a reasonable opportunity to challenge it,

then the Purchaser or the Company shall have the conduct of the Tax Matter and/or Tax Dispute and shall be free to defend the Tax Matter or Tax Dispute and settle the Tax Dispute with the prior approval of the Institutional Seller (such approval not to be unreasonably withheld or unreasonably delayed).

Further, when this clause 4.12 applies, the Purchaser shall procure that the Company:

(a) keeps the Institutional Seller reasonably informed of all matters relating to the Tax Matter and delivers to the Institutional Seller copies of all material correspondence relating to the Tax Matter; and

(b) obtains the prior written approval of the Institutional Seller (not to be unreasonably withheld or unreasonably delayed) to the content and sending of written communications relating to the Tax Matter to a tax authority.

4.13 The Purchaser will act in good faith in connection with any issue relating to or that could give rise to a Bayliss Claim and will not (save to the extent required by law or regulation) voluntarily communicate to HMRC any matter that could give rise to a Bayliss Claim.

5. CONDITION PRECEDENT

5.1 Conditions

Completion is conditional upon:

(a) the Competition Approval being given (or deemed to be given) on or before the Longstop Date (the **Completion Condition**); and

(b) there being no court order in effect that restrains or prohibits the parties from completing the Transaction or which invalidates the Transaction (**Court Order**).

5.2 Satisfaction of the Completion Condition

The Purchaser shall have sole responsibility for procuring satisfaction of the Completion Condition and shall use all reasonable endeavours to satisfy or procure the satisfaction of the Completion Condition as soon as possible and in any event on or before the Longstop Date. For the purposes of this clause 5.2, the use of all reasonable endeavours shall include the offering of such commitments or undertakings to the NCA as are reasonably necessary to procure satisfaction of the Completion Condition. No party other than the Purchaser shall be responsible for any costs incurred in connection with the satisfaction of the Completion Condition or compliance with any conditions, commitments or undertakings attached to any Competition Approval.

5.3 Communications

The Purchaser shall consult with the Institutional Seller before making any communication to the NCA and the Purchaser shall promptly provide to the Institutional Seller details of all communications (including copies of all correspondence) received by it from or sent by it to the NCA in relation to the Transaction, provided that the Purchaser shall be entitled to redact from such communications its business sensitive information before providing them to the Institutional Seller.

5.4 **Assistance**

The Institutional Seller shall give and cause the Company to give the Purchaser (at its request) such assistance as is reasonably necessary to facilitate the Purchaser fulfilling its filing obligations with respect to clause 5.2 (*Satisfaction of the Completion Condition*).

5.5 **Notification**

The Purchaser shall notify the Sellers in writing as soon as reasonably practicable upon it becoming aware that the Completion Condition has been satisfied and shall provide to the Sellers evidence of the satisfaction of the Completion Condition, such evidence to be to the Institutional Seller's reasonable satisfaction.

5.6 **Competition Approval**

Without prejudice to clauses 5.3 (*Communications*), 5.4 (*Assistance*) and 5.5 (*Notification*), the Purchaser shall procure that its application for Competition Approval shall be completed and filed with the NCA as soon as possible. Without prejudice to the foregoing, the Purchaser shall use its best endeavours to complete and file such application within five Business Days after the date of this agreement; however, if filing within such five Business Days is not achievable or prudent (despite the Purchaser having used its best endeavours), the time period for filing such application may be extended with the Institutional Seller's written consent (not to be unreasonably withheld). If the NCA notifies the Purchaser that it is to open an in-depth investigation of the Transaction, then the Purchaser shall promptly complete and file any additional applications or other documents required by the NCA.

5.7 **Failure to satisfy the Completion Condition**

If the Completion Condition remains unsatisfied or any Court Order remains in effect by the Longstop Date, either the Purchaser or the Institutional Seller may terminate this agreement. If this agreement terminates in accordance with this clause 5.7:

(a) except for this clause 5.7, and clauses 1 (*Definitions and Interpretation*), 13 (*Announcements and Confidentiality*), 14 (*Notices*), 19.2 to 19.13 (*General*), 20 (*Whole Agreement*), 21 (*Institutional Seller Representative*), 22 (*Senior Management Representative*) and 23 (*Governing Law and Jurisdiction*), all the provisions of this agreement shall lapse and cease to have effect; and

(b) neither the lapsing of those provisions nor their ceasing to have effect shall affect any accrued rights or liabilities of any party in respect of damages for non-performance of any obligation falling due for performance before such lapse and cessation.

6. PRE-COMPLETION UNDERTAKINGS

6.1 **Senior Management Seller and Manager undertakings**

Until Completion, each Senior Management Seller and Manager undertakes to the Purchaser and to the Institutional Seller that he shall, to the extent that he is reasonably able and legally permitted or entitled to do so by exercising his rights as a shareholder, director and/or employee (as applicable) and except as otherwise expressly provided for in the Transaction Documents, procure that:

(a) the Business is carried on in the ordinary course consistent with practice in the six months prior to the date of this agreement;

(b) all transactions between a Group Company and a Seller or any of their respective Affiliates or persons connected to them take place on arm's length terms;

(c) subject to paragraph (d) below, no Group Company shall, without the prior written consent of the Purchaser (such consent not to be unreasonably withheld or delayed):

(i) increase, reduce or otherwise alter its share or loan capital or grant any option to subscribe for or acquire any of its share or loan capital or take any action in respect of any Shares convertible into any share or loan capital (other than to another Group Company);

(ii) adopt any material new accounting policies or practices or materially change any of its accounting policies and practices or its accounting reference date, in each case except as required by law or to comply with a new accounting standard;

(iii) (save for the leasing of chain, fibre, wire, buoyancy, anchors and associated support equipment and fittings in the ordinary course of business) sell, transfer, lease, license or dispose of, or grant any option to acquire, any material part of its business, undertaking or assets, whether by a single transaction or series of transactions, related or not, involving aggregate consideration, expenditure or liabilities in excess of £100,000, other than where the same results from an asset being lost or damaged beyond repair;

(iv) enter into a legally binding commitment to acquire (whether by purchase, subscription or otherwise), lease or license any business (whether by way of acquisition of business and assets or any interest in any body corporate that owns such business and assets);

(v) grant any Encumbrance over any of its assets (other than Permitted Security Interests);

(vi) borrow any monies or incur any indebtedness or other liability other than, in the ordinary course of trading, (A) trade credit or (B) drawing down under the External Facilities or (C) entering into finance leases;

(vii) incorporate a Subsidiary or liquidate or dissolve any Subsidiary or effect any hive-up or hive-down or any reorganisation of the business of a Group Company;

(viii) amend or vary any provision of, or enter into or offer to enter into, terminate (or give notice to terminate) or fail to enforce, any terms of employment or severance or post-employment (including in relation to benefits and pension fund commitments) with or of any Key Employee;

(ix) enter into or materially modify any agreement with any trade union or other employee representative body;

(x) (save for any cross-hire in which is effected in the ordinary course of business) enter into or terminate any contract, lease, license or arrangement:

(A) which will require capital expenditures by the Group that, when accumulated with all such capital expenditures incurred since the date of this agreement, will exceed £350,000 (in the aggregate);

(B) which is a joint venture, partnership or consortium agreement; or

(C) which has a term in excess of one year;

or modify an existing contract, lease, license or arrangement which would itself fall, or cause the contract or arrangement to fall, within any of the above sub-clauses or make any bid, tender, proposal or offer which, if accepted by a third party, will create any such contract or arrangement;

(xi) give any guarantee, indemnity, counter indemnity, letter of credit or other agreement to secure an obligation of a Seller or any of its Affiliates;

(xii) settle any litigation where it could result in a payment by a Group Company exceeding £25,000, except for collection in the ordinary course of trading debts;

(xiii) cancel, or materially alter the level and extent of cover provided by, the policies of insurance as are in effect for the benefit of the Group immediately before the execution of this agreement;

(xiv) take any action as a result of which it would cease to possess or have access to its register of members (or equivalent);

(xv) make or revoke any tax election;

(xvi) make a material change to any collection practices, payment practices or other working capital practices;

(xvii) reduce the provision of five hundred and thirty two thousand seven hundred and sixty four British Pounds Sterling (£532,764) for the Songa Matter (save as a result of the payment by a Group Company in the ordinary course of any fee or expense incurred by it in connection with the Songa Matter, not exceeding in aggregate eighty thousand British Pounds Sterling (£80,000)) or settle any claim in connection with the Songa Matter, provided that the Senior Management Sellers shall notify the Purchaser as soon as practicable of any payments in connection with the Songa Matter and the resulting reduction in the provision;

(xviii) amend its articles of association; or

(xix) agree to do any of the actions referred to in sub-clauses 6.1(c)(i) to (xiv) above;

(d) paragraph (c) above shall not apply to the extent that any such action is:

(i) required to give effect to or to comply with this agreement;

(ii) required by law or applicable regulation;

(iii) undertaken in accordance with a contractual obligation entered into before the date of this agreement which has been disclosed to the Purchaser with sufficient detail to enable the Purchaser to identify the nature and scope of the matter disclosed (including the Senior Facilities Agreement and any agreement related to the External Facilities);

(iv) required to repay any outstanding principal or accrued interest under the External Facilities (and a Group Company may use available cash to repay any such amounts) or to otherwise discharge obligations under the External Facilities; or

(v) the Company declaring or paying any cash dividend or making any other cash distribution in respect of its profits, assets or reserves.

6.2 **Several liability**

The obligations on each Senior Management Seller and Manager in clause 6.1 (*Senior Management Seller and Manager undertakings*) are given on a several basis only (and not on a joint or joint and several basis).

6.3 **Purchaser approval**

The Purchaser shall be deemed to have given its approval to a matter referred to in sub-clause 6.1(c) (*Senior Management Seller and Manager undertakings*) if a written request for approval is delivered to Ted Wozniak or Tim Kolbeck of the Purchaser and the Purchaser does not notify the Institutional Seller Representative and Senior Management Representative of its objection and its reasons for objecting within seventy-two hours of receiving such written request.

6.4 **Institutional Seller Stamping**

The Institutional Seller agrees to use reasonable endeavours to procure that, before the Completion Date:

(i) the Wandl SPA is duly stamped by HMRC; and

(ii) the Wandl Shares are duly registered in the name of the Institutional Seller in the Company's register of members.

6.5 **Institutional Seller undertaking**

Until Completion, the Institutional Seller undertakes to the Purchaser and the Senior Management Sellers and Managers that it shall not exercise its rights as a shareholder, and that it shall procure (so far as it is able) that no Institutional Seller Director shall exercise his rights as a director of the Company, save to the extent that such action or step is expressly provided for in sub-clause 6.1(d) (*Senior Management* Seller *and Manager undertakings*) or the Transaction Documents, to procure that a Group Company takes any of the actions or steps referred to in sub-clauses 6.1(a), 6.1(b) or 6.1(c) (*Senior Management Seller and Manager undertakings*) without the prior written consent of the Purchaser, such consent not to be unreasonably withheld or delayed.

6.6 **Material Adverse Change**

If, at any time before Completion, a Seller becomes aware of a Material Adverse Change before Completion, it shall immediately provide written notice to the Purchaser of such Material Adverse Change, including (to the extent reasonably practicable and known to the relevant Seller) reasonable details as to its nature, likely duration, estimated financial impact and steps being taken to mitigate its effect. The Purchaser may then, before Completion has occurred, in its sole discretion, within five Business Days of receiving such written notice, or otherwise becoming aware of such Material Adverse Change, provide written notice to the Sellers that it is aware of a potential Material Adverse Change, including (to the extent reasonably practicable and known to the Purchaser) reasonable details as to its nature, likely duration and estimated financial impact, and within ten Business Days of such notice to the Sellers, terminate this agreement by providing written notice to the Sellers and sub-clauses 5.7(a) and 5.7(b) (*Failure to satisfy the Completion Condition*) shall apply, *mutatis mutandis*. Notwithstanding the foregoing, the Purchaser shall have no right to terminate this agreement if a Material Adverse Change occurs after the Purchaser has failed to complete this agreement as required by its terms.

6.7 **Delivery by Institutional Seller**

No later than the Business Day before Completion the Institutional Seller shall deliver to the Purchaser:

(a) the Completion Statement, together with copies of supporting documents relevant to the calculation of the Completion Amount including the Net Debt Estimate; and

(b) a notice specifying the:

(i) External Facilities Repayment Amount (supported by appropriate payoff letters);

(ii) amount of the Exit Bonuses;

(iii) amount of the Transaction Fees; and

(iv) details of the account into which the Purchaser must pay the Completion Amount at Completion.

7. COMPLETION

7.1 Time and location

(a) Subject to the terms and conditions in this agreement, Completion shall take place at the offices of Allen & Overy LLP, One Bishops Square, London E1 6AD on the date that is selected by the Purchaser and is not earlier than three Business Days but no later than six Business Days following the day on which notification is given by the Purchaser in accordance with clause 5.5 that the Completion Condition is satisfied or such other date and at such other place as the Institutional Seller and the Purchaser may agree.

(b) The parties agree to use reasonable endeavours and co-operate in good faith with a view to a target Completion Date of 23 August 2013.

7.2 Completion obligations

At Completion:

(a) each of the Sellers shall observe and perform the provisions of Part 1 of Schedule 3 (*Completion*) to the extent applicable to them; and

(b) the Purchaser shall observe and perform the provisions of Part 2 of Schedule 3 (*Completion*).

7.3 Items held to order

All documents and items delivered at Completion under sub-clauses 7.2(a) and 7.2(b) (*Completion obligations*) and Schedule 3 (*Completion*) shall be held by the recipient to the order of the person delivering the same until such time as Completion shall be deemed to have taken place. Simultaneously with:

(a) delivery of all documents and items required to be delivered at Completion in accordance with sub-clauses 7.2(a) and 7.2(b) (*Completion obligations*) and Schedule 3 (*Completion*) (or waiver of the delivery of them by the person entitled to receive the relevant document or item); and

(b) receipt of an electronic funds transfer to the bank account of the Institutional Seller's Solicitors of the Completion Amount,

the documents and items delivered in accordance with sub-clauses 7.2(a) and 7.2(b) (*Completion obligations*) and Schedule 3 (*Completion*) shall cease to be held to the order of the person delivering them and Completion shall be deemed to have taken place.

7.4 Seller failure to complete

If the Sellers fail to comply with the provisions of Part 1 of Schedule 3 (*Completion*), the Purchaser may elect (in addition and without prejudice to all other rights or remedies available to it), by giving notice to the Institutional Seller Representative and the Senior Management Representative:

(a) not to complete the purchase of the Shares, in which case the provisions of clause 7.6 (*Consequences of failure to complete*) shall apply; or

(b) to fix a new time and date for Completion (being not more than 20 Business Days after the original date for Completion), in which case the provisions of clauses 7.2 (*Completion obligations*), 7.3 (*Items held to order*) and Schedule 3 (*Completion*) shall apply to Completion as so deferred but on the basis that such deferral may occur only once.

7.5 **Purchaser failure to complete**

If the Purchaser fails to comply with the provisions of Part 2 of Schedule 3 (*Completion*), the Institutional Seller Representative and the Senior Management Representative may jointly elect (in addition and without prejudice to all other rights and remedies available to them), by notice to the Purchaser:

(c) not to complete the sale of the Shares, in which case the provisions of clause 7.6 (*Consequences of failure to complete*) shall apply; or

(d) to fix a new time and date for Completion (being not more than 20 Business Days after the original date for Completion) in which case the provisions of clauses 7.2 (*Completion obligations*), 7.3 (*Items held to order*) and Schedule 3 (*Completion*) shall apply to Completion as so deferred but on the basis that such deferral may occur only once.

7.6 **Consequences of failure to complete**

If the Institutional Seller Representative and the Senior Management Representative jointly elect or the Purchaser elects not to complete the purchase or sale of the Shares under clauses 7.4 (*Seller failure to complete*) or 7.5 (*Purchaser failure to complete*):

(c) except for clause 1 (*Definitions and Interpretation*), this sub-clause 7.6, and clauses 13 (*Announcements and Confidentiality*), 14 (*Notices*), 19.2 to 19.13 (*General*), 20 (*Whole Agreement*), 21 (*Institutional Seller Representative*), 22 (*Senior Management Representative*) and 23 (*Governing Law and Jurisdiction*), all the provisions of this agreement shall lapse and cease to have effect; and

(d) neither the lapsing of those provisions nor their ceasing to have effect shall affect any accrued rights or liabilities of any party in respect of damages for non-performance of any obligation falling due for performance before such lapse and cessation.

8. POST COMPLETION

8.1 **Final Completion Statement**

Within 30 days after Completion the Purchaser shall provide the Institutional Seller with the Final Completion Statement together with such information as the Institutional Seller may reasonably require to enable it to verify the Final Completion Statement, including the calculation of the Final Working Capital.

8.2 **Objection Notice**

If the Institutional Seller disagrees with the Final Completion Statement it may notify the Purchaser within 60 days after the Institutional Seller's receipt of the Final Completion Statement (such notification being an **Objection Notice**).

8.3 **Details required in the Objection Notice**

An Objection Notice must set out in reasonable detail the Institutional Seller's reasons for its objection and specify:

(c) the specific items that are in dispute (the **Disputed Amounts**); and

(d) the adjustments which, in the Institutional Seller's opinion, ought to be made to the Final Completion Statement so that it complies with the provisions of this agreement.

8.4 **Referral to an Independent Accountant**

If the Institutional Seller issues an Objection Notice in accordance with clauses 8.2 (*Objection Notice*) and 8.3 (*Details required in the Objection Notice*), the Institutional Seller and the Purchaser shall use reasonable endeavours to reach agreement in respect of the Final Completion Statement. If such parties are unable to agree the Final Completion Statement within 20 Business Days of delivery of the Objection Notice, either such party may by notice to the other party require that the Disputed Amounts be referred to an independent accountant, being a firm of independent internationally recognised accountants, the identity of which is to be agreed by the Institutional Seller and the Purchaser within seven Business Days of a notice being given by either such party to the other party requiring such agreement or, failing such agreement, to be nominated on the application of either such party by or on behalf of the President of the Institute of Chartered Accountants in England and Wales (**Independent Accountants**) for final determination in accordance with Schedule 7 (*Pro Forma Final Completion Statement*).

8.5 **Final Completion Statement binding**

The Final Completion Statement as:

(e) deemed agreed (if the Institutional Seller does not issue an Objection Notice in accordance with clauses 8.2 (*Objection Notice*) and 8.3 (*Details required in the Objection Notice*));

(f) agreed (if the parties are able to resolve any dispute); or

(g) determined (under clause 8.4 (*Referral to an Independent Accountant*)),

shall determine the Final Consideration and be final and binding on the parties.

8.6 **Payment of adjustment**

(a) Once the Final Completion Statement is final and binding on the parties, then the payment due (if any) calculated in accordance with clause 8.7 (*Adjustments*) shall be paid by the Purchaser to the Institutional Seller or by the Institutional Seller to the Purchaser (as appropriate) within ten Business Days, together with Interest on such amount calculated from the Completion Date up to (but excluding) the date of payment and apportioned between the Sellers in proportion to their respective shareholdings as set out in the column "Percentage of Consideration" in Schedule 1 (*The Sellers*).

(b) The amounts (if any) payable by the Institutional Seller to the Purchaser or by the Purchaser to the Institutional Seller under sub-clause 8.6(a) shall be set off against each other so that only any balance payable shall be paid on the date on which a payment is to be made under sub-clause 8.6(a).

8.7 **Adjustments**

(a) If the Completion Amount set forth on the Final Completion Statement is in excess of the Completion Amount set forth on the Completion Statement, then the Purchaser shall pay the amount of such excess to the Institutional Seller in accordance with the provisions of clause 8.6 (*Payment of adjustment*).

(b) If the Completion Amount set forth on the Final Completion Statement is less than the Completion Amount set forth on the Completion Statement, then the Institutional Seller shall pay the amount of such deficiency to the Purchaser in accordance with the provisions of clause 8.6 (*Payment of adjustment*).

(c) The maximum positive adjustment in respect of working capital in favour of the Sellers under clause 8.6 (*Payment of adjustment*) and this clause 8.7 (*Adjustments*) is £100,000,000.

8.8 **Access**

The Purchaser shall make available to the Institutional Seller the Books and Records of the Group Companies which are required by the Institutional Seller for the purpose of verifying the Final Completion Statement. Such access to these Books and Records shall be granted upon reasonable notice by the Institutional Seller and, subject to there being no material disruption to the business of any Group Company, the Purchaser shall procure that such Books and Records are made available to the Institutional Seller for inspection (during working hours) and, where reasonably required for the purpose of dealing with such matters, copying (at the Institutional Seller's expense).

9. WARRANTIES AND UNDERTAKINGS

9.1 Warranties

The Institutional Seller and the Other Sellers individually and severally (and thus not jointly or jointly and severally) warrant to the Purchaser that:

(c) Ownership of the Shares

(i) The Shares set out in Schedule 1 (*The Sellers*) against his or its name are, as at the date of this agreement (other than the Wandl Shares), and will at Completion be, legally and beneficially owned by him or it.

(ii) There is, as at the date of this agreement (save in respect of any encumbrances in relation to the Junior Debt and Senior Debt), and will at Completion be, no Encumbrance on, over or affecting any of the Shares owned by such Seller and no person has, as at the date of this agreement, and will at Completion be, claimed to be entitled to any such Encumbrance.

(d) Capacity and consequences of sale

(i) It or he has the power, capacity and authority to execute and deliver this agreement and each of the other Transaction Documents to which it or he is or will be a party and to perform its or his obligations under each of them and has taken all action necessary to authorise such execution and delivery and the performance of such obligations.

(ii) This agreement constitutes legal, valid and binding obligations on it or him in accordance with its terms. Each of the other Transaction Documents to which it or he is or will be a party will, when executed, constitute legal, valid and binding obligations on it or him in accordance with its terms.

(iii) The entry by it or him into this agreement and, as applicable, into each of the other Transaction Documents to which it or he is or will be a party and the performance by it or him of its or his obligations under this agreement and each other Transaction Document does not and will not:

(A) conflict with or constitute a default under any provision of:

I. any agreement or instrument to which it, he or any person connected with it or him is a party; or

II. the constitutional documents of it or any person connected with it or him; or

III. any law, lien, lease, order, judgment, award, injunction, decree, ordinance or regulation or any other restriction of any kind or character by which it, he or any person connected with it or him is bound; or

(B) result in the creation or imposition of any Encumbrance on any of the Shares owned by it or him.

A reference in this clause 9.1 to "Seller", "Sellers", "its", "it", "him" or "he" shall be deemed to be a reference only to the relevant Seller giving the relevant Warranty and not to any other person.

9.2 The provisions of Schedule 4 (*Limitations on Claims*) shall apply to limit the liability of the Institutional Seller and the Other Sellers (as the case may be) under this agreement and no liability shall attach to the Institutional Seller or the Other Sellers in respect of any Claim in each case if, and to the extent that, any of the limitations set out in Schedule 4 (*Limitations on Claims*) applies, provided that the provisions of Schedule 4 (*Limitations on Claims*) shall not apply to any Claim against any Institutional Seller or Other Seller arising out of fraud on the part of that Institutional Seller or Other Seller.

9.3 The Warranties shall be deemed to be given by the Institutional Seller and the Other Sellers at the date of this agreement and again at Completion.

10. PURCHASER'S WARRANTIES AND UNDERTAKINGS

The Purchaser warrants to the Sellers and the Exit Bonus Payees that as at the date of this agreement:

(e) the Purchaser has the power, capacity and authority to execute and deliver this agreement and each of the other Transaction Documents to which it is or will be a party and to perform its obligations under each of them and has taken all action necessary to authorise such execution and delivery and the performance of such obligations;

(f) this agreement constitutes, and each of the other Transaction Documents to which the Purchaser is or will be a party will, when executed, constitute legal, valid and binding obligations on the Purchaser in accordance with its terms; and

(g) the entry by the Purchaser into this agreement and, as applicable, into each of the other Transaction Documents to which it is or will be a party and the performance of the obligations of the Purchaser under this agreement and each other Transaction Document does not and will not conflict with or constitute a default under any provision of:

(i) any agreement or instrument to which the Purchaser or any person connected with the Purchaser is a party;

(ii) the constitutional documents of the Purchaser or any person connected with the Purchaser; or

(iii) any law, lien, lease, order, judgment, award, injunction, decree, ordinance or regulation or any other restriction of any kind or character by which the Purchaser or any person connected with the Purchaser is bound, subject to satisfaction of the Completion Condition.

(h) in connection with the entry into this agreement, the Transactions contemplated by this agreement, and/or any matter pertaining directly or indirectly to this agreement, including without limitation the negotiation of this agreement and the fulfilment of the Purchaser's obligations hereunder, the Purchaser has not and each of its Affiliates, associated persons, agents or subcontractors as may be used in relation to the Purchaser's fulfilment of obligations under this agreement (such persons being herein referred to as the **Purchaser's Associates**) have not and the Purchaser undertakes for itself and on behalf of the Purchaser's Associates that it or they shall not engage in or in any way induce the following conduct: making of payments or transfers of value, offers, promises or giving of any financial or other advantage, or requests, agreements to receive or acceptances of any financial or other advantage, either directly or indirectly, which have or may have the purpose or effect of public or commercial

bribery or acceptance of or acquiescence in bribery, extortion, facilitation payments or other unlawful or improper means of obtaining or retaining business, commercial advantage or the improper performance of any function or activity.

11. GUARANTOR'S WARRANTIES AND UNDERTAKINGS

The Guarantor warrants to the Sellers and the Exit Bonus Payees that as at the date of this agreement:

(e) the Guarantor has the power, capacity and authority to execute and deliver this agreement and each of the other Transaction Documents to which it is or will be a party and to perform its obligations under each of them and has taken all action necessary to authorise such execution and delivery and the performance of such obligations;

(f) this agreement constitutes, and each of the other Transaction Documents to which the Guarantor is or will be a party will, when executed, constitute legal, valid and binding obligations on the Guarantor in accordance with its terms; and

(g) the entry by the Guarantor into this agreement and, as applicable, into each of the other Transaction Documents to which it is or will be a party and the performance of the obligations of the Guarantor under this agreement and each other Transaction Document does not and will not conflict with or constitute a default under any provision of:

(i) any agreement or instrument to which the Guarantor or any person connected with the Guarantor is a party;

(ii) the constitutional documents of the Guarantor or any person connected with the Guarantor; or

(iii) any law, lien, lease, order, judgment, award, injunction, decree, ordinance or regulation or any other restriction of any kind or character by which the Guarantor or any person connected with the Guarantor is bound, subject to satisfaction of the Completion Condition.

12. GUARANTEE

12.1 Guarantee

The Guarantor unconditionally and irrevocably:

(h) guarantees to the Sellers and the Exit Bonus Payees the payment when due of all amounts payable by the Purchaser under or pursuant to this agreement;

(i) undertakes to ensure that the Purchaser will perform when due all its obligations under or pursuant to this agreement;

(j) agrees that if and each time that the Purchaser fails to make any payment when it is due under or pursuant to this agreement, the Guarantor must on demand (without requiring the Sellers or the Exit Bonus Payees first to take steps against the Purchaser or any other person) pay that amount to the Sellers and the Exit Bonus Payees as if it were the principal obligor in respect of that amount; and

(k) agrees as principal debtor and primary obligor to indemnify, on an after-Tax basis, the Sellers and the Exit Bonus Payees against all losses and damages sustained by any Seller, their respective Affiliates and the Exit Bonus Payees flowing from any non-payment or default of any kind by the Purchaser under or pursuant to this agreement or the unenforceability, invalidity or illegality of any of the Purchaser's obligations.

12.2 **Waiver of defences**

The Guarantor's obligations under this agreement shall not be affected by any matter or thing which but for this provision might operate to affect or prejudice those obligations, including without limitation:

(c) any time or indulgence granted to, or composition with, the Purchaser or any other person;

(d) the taking, variation, renewal or release of any right, guarantee, remedy or security from or against the Purchaser or any other person;

(e) neglecting to perfect or enforce this agreement against the Purchaser or any other person;

(f) any variation or change to the terms of this agreement; or

(g) any unenforceability or invalidity of any obligation of the Purchaser, so that this agreement shall be construed as if there were no such unenforceability or invalidity.

12.3 **Subrogation**

Until all amounts which may be or become payable under this agreement have been irrevocably paid in full, the Guarantor shall not as a result of this agreement or any payment or performance under this agreement be subrogated to any right or security of the Sellers, any of their respective Affiliates or the Exit Bonus Payees or claim or prove in competition with the Sellers, any of their respective Affiliates or the Exit Bonus Payees against the Purchaser or any other person or claim any right of contribution, set-off or indemnity.

12.4 **Costs**

The Guarantor shall reimburse the Sellers, any of its Affiliates and the Exit Bonus Payees for all legal and other costs (including any Tax and any interest, penalty or fine in relation thereto) incurred by the Sellers, any of their respective Affiliates or the Exit Bonus Payees in connection with the enforcement of the Guarantor's obligations under this agreement.

13. ANNOUNCEMENTS AND CONFIDENTIALITY

13.1 **Restriction**

No party shall without the consent of the other parties issue any statement or make any announcement concerning the Transaction or any related or ancillary matter before, on or after Completion. Unless directed otherwise by the Institutional Seller or any Institutional Seller Director before Completion, each of the Senior Management Sellers shall also, to the extent that he is reasonably able and legally permitted or entitled to do so by exercising his rights as a shareholder, director and/or employee (as applicable), procure that none of the Group Companies shall issue any statement or make any announcement concerning the Transaction or any related or ancillary matter on or before Completion.

13.2 **Duration**

Subject to clauses 13.1 (*Restriction*), 13.3 (*Exceptions for announcements and disclosure*) and 13.4 (*Exceptions for disclosure only*), from the date of this agreement to the date falling two years following the date hereof:

(d) each of the parties shall treat as strictly confidential and not disclose or use any information received, held or obtained as a result of entering into this agreement or any of the Transaction Documents which relates to:

(iv) the provisions of this agreement or the Transaction Documents and any agreement entered into under them; or

(v) the negotiations relating to this agreement (and any such other agreement); and

(e) each Seller shall, following Completion, treat as strictly confidential and not disclose or use:

(i) any information relating to the Group; or

(ii) any other information relating to the business, financial or other affairs (including future plans and targets) of the Purchaser's Group,

in any way which would compete with the business of the Group Companies.

13.3 **Exceptions for announcements and disclosure**

Nothing in this clause 13 (*Announcements and Confidentiality*) prevents any announcement being made or any information being disclosed (or being retained and not returned or destroyed):

(c) with the prior written approval of the Institutional Seller Representative, the Senior Management Representative and the Purchaser, which shall not be unreasonably withheld or delayed;

(d) to the extent required by law, to any court of competent jurisdiction, any stock exchange or any competent regulatory or supervisory body (including a taxation authority), provided that if a person is so required to make any announcement or to disclose any confidential information, the relevant party shall promptly notify the other parties, where practicable and lawful to do so, before the announcement is made or disclosure occurs (as the case may be) and shall co-operate with the other parties regarding the timing and content of such announcement or disclosure (as the case may be) or any action which the other parties may reasonably elect to take to challenge the validity of such requirement, including giving the Institutional Seller an opportunity to comment on the announcement.

13.4 **Exceptions for disclosure only**

Nothing in this clause 13 (*Announcements and Confidentiality*) prevents any information being disclosed (or, where applicable, being retained and not returned or destroyed):

(a) by any member of the Purchaser's Group for the time being or, after Completion, by any Group Company:

(iv) to the extent that the information is in or comes into the public domain otherwise than as a result of a breach of any undertaking or duty of confidentiality by any member of the Purchaser's Group for the time being or, after Completion, by any Group Company;

(v) to its professional advisers, auditors, investors or bankers but, before any disclosure to any such person, the Purchaser shall procure that such person is made aware of the terms of this clause 13.4 (*Exceptions for disclosure only*) and shall use its best endeavours to procure that such person adheres to those terms as if such person were bound by the relevant provisions of this clause 13.4 (*Exceptions for disclosure only*);

(vi) to a proposed purchaser of, or investor in, any member of the Purchaser's Group or their professional advisers, auditors or bankers but, before any disclosure to any such person, the Purchaser shall procure that such person is made aware of the terms of this clause 13.4 (*Exceptions for disclosure only*) and shall use its best endeavours to procure that such person adheres to those terms as if such person were bound by the relevant provisions of this clause 13 (*Announcements and Confidentiality*); or

(vii) to any provider of finance or potential provider of finance to the Purchaser's Group or any person connected with the Purchaser (or to their advisers, agents or representatives)

or to a security trustee or agent acting on behalf of one or several banks or other financial institutions which have entered into, or may enter into, any financing agreements with the Purchaser or any person connected with the Purchaser but, before any disclosure to any such person, the Purchaser shall procure that such person is made aware of the terms of this clause 13.4 (*Exceptions for disclosure only*) and shall use its best endeavours to procure that such person adheres to those terms as if such person were bound by the relevant provisions of this clause 13.4 (*Exceptions for disclosure only*);

(b) by the Institutional Seller to its Affiliates, or any fund, limited partnership or investment vehicle managed or advised by the Institutional Seller, or any actual or prospective investor in any such fund, limited partnership or investment vehicle, in each case on a confidential basis; or

(c) by any Seller or, on or before Completion, by any Group Company:

(iii) to the extent that the information is in or comes into the public domain otherwise than as a result of a breach of any undertaking or duty of confidentiality by any Seller or, on or before Completion, by any Group Company;

(iv) to its professional advisers, auditors or bankers but, before any disclosure to any such person, that Seller shall procure that such person is made aware of the terms of this clause 13.4 (*Exceptions for disclosure only*) and shall use its or his best endeavours to procure that such person adheres to those terms as if such person were bound by the relevant provisions of this clause 13.4 (*Exceptions for disclosure only*); or

(v) to any Tax authority.

14. NOTICES

14.1 Delivery

Any notice or other communication to be given in connection with this agreement must be in writing (which includes fax, but (save where expressly stated otherwise) not any other form of Electronic Communication) in English and must be delivered or sent by post or fax to the party to whom it is to be given as follows:

(f) if to the Institutional Seller, at the address specified against its name in this agreement, with a copy to:

Allen & Overy LLP
One Bishops Square
E1 6AD London
UK
Fax: +44 (0)20 3088 0088
Email: gordon.stewart@allenovery.com

marked for the attention of Gordon Stewart, Partner;

(g) if to the Institutional Seller Representative, at:

HSBC Bank plc
Level 23, 8 Canada Square
London, E14 5HQ
UK
Phone: +44 (0)20 7992 2278
Fax: +44 (0)20 7991 4459
Email: michael.kershaw@hsbc.com

marked for the attention of Michael Kershaw, Chief Investment Officer, Principal Investments;

(h) if to a Senior Management Seller or a Manager, at the address specified against his or its name in this agreement, with a copy to:

Addleshaw Goddard LLP
100 Barbirolli Square
Manchester
M2 3AB
UK
Fax: 0161 934 6060
Email: roger.hart@addleshawgoddard.com

marked for the attention of Roger Hart, Partner;

(i) if to the Senior Management Representative, at:

Viking SeaTech
1 Albyn Terrace
Aberdeen
AB10 1YP
UK
Phone: +44 (0)1224 914 780
Fax: +44 (0)1224 917 258
Email: bill.bayliss@vikingseatech.com

marked for the attention of William John Bayliss;

(j) if to the Other Sellers, at the address specified against his or its name in this agreement, with a copy to:

Eversheds LLP
Bridgewater Place
Water Lane
Leeds
LS11 5DR
UK
Fax: +44 845 498 4994
Email: robinskelton@eversheds.com marked for the attention of Robin Skelton, Partner;

(k) if to the Purchaser at:

Actuant Corporation
Westbrook Crossing
Menomonee Falls
Wisconsin 53051
United States
Fax: +1 262 293 7034
Email: ted.wozniak@actuant.com and tim.kolbeck@actuant.com

marked for the attention of Ted Wozniak, Executive Vice-President, Business Development and Tim Kolbeck, Chief Financial Officer,

with a copy to:

McDermott Will & Emery LLP
110 Bishopsgate London

EC2N 4AY
UK
Fax: +44 207577 6950
Email: rvanpraagh@mwe.com marked for the attention of Russell Van Praagh, Partner,

(l) if to the Guarantor at:

Actuant Corporation
Westbrook Crossing
Menomonee Falls
Wisconsin 53051
United States
Fax: +1 262 293 7034
Email: ted.wozniak@actuant.com and tim.kolbeck@actuant.com

marked for the attention of Ted Wozniak, Executive Vice-President, Business Development and Tim Kolbeck, Chief Financial Officer,

with a copy to:

McDermott Will & Emery LLP
110 Bishopsgate London
EC2N 4AY
UK
Fax: +44 7577 6950
Email: rvanpraagh@mwe.com marked for the attention of Russell Van Praagh, Partner,

or at any such other address or fax number of which it or he shall have given notice for this purpose to the other parties. Any notice or other communication sent by post shall be sent by prepaid recorded delivery post (if within the United Kingdom) or by prepaid airmail (if the country of destination is not the same as the country of origin).

14.2 **Time of delivery**

Any notice or other communication shall be deemed to have been given:

(e) if delivered by hand, registered post or courier, at the time of delivery;

(f) if sent by post, on the second Business Day after it was put into the post; or

(g) if sent by fax, on the date of transmission, if transmitted before 3pm (local time in the country of destination) on any Business Day, and in any other case on the Business Day following the date of transmission.

14.3 **Evidence of delivery**

In proving the giving of any notice or other communication, it shall be sufficient to prove that delivery was made or that the envelope containing the communication was properly addressed and posted by prepaid recorded delivery post or by prepaid airmail or that the fax was properly addressed and transmitted, as the case may be.

14.4 **Service of process**

This clause 14 (*Notices*) shall not apply in relation to the service of process which is dealt with in clause 23.3 (*Service of process*).

15. FURTHER ASSURANCES

15.1 **Execution of documents**

On or after Completion each Seller shall (in respect of the Shares held by it only), at the cost of the Purchaser, execute and do (or procure to be executed and done by any other necessary party) all such deeds, documents, acts and things as may be required by law or as the Purchaser may from time to time reasonably require to vest any of the Shares in the Purchaser.

15.2 **Shares held on trust**

For so long after Completion as any Seller or any nominee of it remains the registered holder of any security, it shall hold (or direct the relevant nominee to hold) that security and any distributions, property and rights deriving from it in trust for the Purchaser and shall deal with that security and any distributions, property and rights deriving from it as the Purchaser directs; in particular, that Seller shall exercise all voting rights as the Purchaser directs or shall execute an instrument of proxy or other document which enables the Purchaser or its representative to attend and vote at any meeting of the Company concerned.

16. POST COMPLETION UNDERTAKINGS

16.1 **Access**

For a period of six years following Completion, the Purchaser shall make available to any Seller the Books and Records of the Group Companies which are reasonably required by that Seller for the purpose of dealing with its tax, accounting and regulatory affairs. Such access to these Books and Records shall be granted upon reasonable notice by that Seller and, subject to there being no material disruption to the business of any Group Company, the Purchaser shall procure that such Books and Records are made available to that Seller for inspection (during working hours) and, where reasonably required for the purpose of dealing with such affairs, copying (at that Seller's expense).

16.2 **Payment of Exit Bonuses**

As soon as reasonably practicable and in any event no later than three Business Days after Completion, the Purchaser shall procure that the Company (or its relevant subsidiary) pays the Exit Bonuses to each of the Exit Bonus Payees in each case less any PAYE or employee national insurance contributions or any other deductions required by law to be made in respect of the Exit Bonuses.

16.3 **Payment of Transaction Fees**

As soon as reasonably practicable and in any event no later than three Business Days after Completion, the Purchaser shall procure that the Company (or its relevant subsidiary) pays the Transaction Fees to the relevant payees.

16.4 **Release of Institutional Seller Directors**

Subject to Completion occurring, the Purchaser shall:

(a) not bring or maintain and shall procure that no Group Company brings or maintains any claim whatsoever against any Institutional Seller Director for breach of director's duties (including the duty to exercise reasonable care, skill and diligence) owed by any Institutional Director to any Group Company of which he was a director at any time in the period prior to Completion; and

(b) procure that each of the relevant Group Companies of which an Institutional Seller Director was a director at any time in the period prior to Completion shall, if requested by an Institutional Seller Director, waive, release and discharge the Institutional Seller Director in respect of any breach of director's duties (including the duty to exercise reasonable care, skill and diligence) owed to the relevant Group Companies in the period prior to Completion,

provided that nothing in this clause 16.4 (*Release of Institutional Seller Directors)* is intended to limit or exclude any liability for, or remedy in respect of, fraud.

17. ASSIGNMENTS

No party may assign, transfer, charge or otherwise deal with all or any of its rights or obligations under this agreement or grant, declare, create or dispose of any right or interest in it except with the prior written consent of the Institutional Seller (in the case of the Purchaser) or the Purchaser (in the case of the Sellers), not to be unreasonably withheld or delayed, save that:

(a) the Purchaser may assign (in whole or in part) the benefit of this agreement to any other member of the Purchaser's Group, provided that if such assignee ceases to be a member of the Purchaser's Group all benefits relating to this agreement assigned to such assignee shall be deemed automatically by that fact to be re-assigned to the Purchaser immediately before such cessation; and

(b) the Purchaser or any member of the Purchaser's Group may charge and/or assign the benefit of this agreement to any person providing debt financing and/or hedging facilities to the Purchaser or any member of the Purchaser's Group, or to any security agent or any person or persons acting as trustee, nominee or agent for any such person by way of security for the facilities being made or to be made available to the Purchaser or member of the Purchaser's Group and any such person, security agent, trustee, nominee or agent may also, in the event of enforcement of such security in accordance with its terms, assign the benefit of such obligations and rights to a purchaser or assignee who acquires the Company or all or part of its business from that person, security agent, trustee, nominee or agent (or any receiver appointed by any of them),

provided that no Seller shall be under any greater obligation or liability thereby than if such assignment had never occurred and that the amount of loss or damage recoverable by the assignee shall be calculated as if that person had been originally named as the Purchaser in this agreement (and, in particular, shall not exceed the sum which would, but for such assignment, have been recoverable hereunder by the Purchaser in respect of the relevant fact, matter or circumstance).

18. PAYMENTS

18.1 Accounts

Unless otherwise expressly stated (or as otherwise agreed in writing in the case of a given payment), each payment to be made under this agreement or any of the Transaction Documents shall be made in £ by transfer of the relevant amount into the relevant account on or before the date the payment is due for value. The relevant account for a given payment is:

(a) if that payment is to the Institutional Seller or any person connected with the Institutional Seller, the account of the Institutional Seller's Solicitors (details of which have been provided to the Purchaser's Solicitors) or such other account as the Institutional Seller Representative shall, not less than three Business Days before the date that payment is due, have specified for payments to the Institutional Seller by giving notice to the Purchaser for the purpose of that payment;

(b) if that payment is to any Senior Management Seller, Exit Bonus Payee or person connected with a Senior Management Seller or Exit Bonus Payee, the account of the Senior Management Sellers' Solicitors (details of which have been provided to the Purchaser's Solicitors) or such other account as the relevant Senior Management Seller or Exit Bonus Payee shall, not less than three Business Days before the date that payment is due, have specified for payments to him or it by giving notice to the Purchaser for the purpose of that payment; and

(c) if that payment is to the Purchaser, such account of the Purchaser as the Purchaser shall, not less than three Business Days before the date that payment is due, have specified by giving notice to the Institutional Seller Representative and the Senior Management Representative for the purpose of that payment.

18.2 **Payments by or to the Institutional Seller on behalf of the Sellers**

Any payment made by the Institutional Seller to the Purchaser under this agreement is made by the Institutional Seller on behalf of the Sellers and any payment by the Purchaser to the Institutional Seller under this agreement is made to the Institutional Seller on behalf of the Sellers, in each case in proportion to their respective shareholdings as set out in the column "Percentage of Consideration" in Schedule 1 (*The Sellers*), and the Institutional Seller shall distribute any such payment made to it by the Purchaser among the Sellers in those proportions.

18.3 **Default interest**

If a party defaults in making any payment when due of any sum payable under this agreement or under any of the Transaction Documents, it shall pay interest on that sum from (and including) the date on which payment is due until (but excluding) the date of actual payment (after as well as before judgment) at an annual rate of five per cent (5%), which interest shall accrue from day to day and be compounded monthly.

18.4 **Withholdings and deductions**

Save as expressly set out in this agreement, all monies payable under this agreement shall be paid in full without any deduction, withholding, set-off or counterclaim whatsoever (except as may be required by law, in which case any deduction or withholding shall not exceed the minimum amount required to be deducted or withheld under law) and the Purchaser irrevocably waives any such right to set-off or counterclaim against any such monies owed by it to the Sellers or Exit Bonus Payees.

18.5 **Gross up**

If a party is required by law to make a deduction or withholding in respect of any amount payable under this agreement, (the recipient of such amount being the 'relevant party'), it shall, (save where the deduction or withholding is in respect of payroll taxes in respect of the relevant party), at the same time as the amount which is the subject of the deduction or withholding is payable, make a payment of such additional amount as shall be required to ensure that the net amount received by the relevant party will equal the full amount which would have been received by such party had no such deduction or withholding been required to be made.

19. GENERAL

19.1 **Obligations continue post Completion**

Each of the obligations, warranties and undertakings set out in this agreement (excluding any obligation which is fully performed at Completion) shall continue in force after Completion.

19.2 **Several liability**

Where any obligation, warranty or undertaking in this agreement is expressed to be made, undertaken or given by two or more of the Sellers, they shall (unless otherwise expressly provided to the contrary) be severally (and not jointly or jointly and severally) responsible in respect of it.

19.3 **All Sellers bound**

Any consent given in accordance with the provisions of this agreement by the Institutional Seller Representative in connection with this agreement shall, provided that such consent is given in

accordance with an express delegation of authority by the other Sellers to the Institutional Seller Representative contained in this agreement, bind all Sellers.

19.4 **Time not of the essence**

Time is not of the essence in relation to any obligation under this agreement unless:

(a) time is expressly stated to be of the essence in relation to that obligation; or

(b) one party fails to perform an obligation by the time specified in this agreement and another party serves a notice on the defaulting party requiring it to perform the obligation by a specified time and stating that time is of the essence in relation to that obligation.

19.5 **Costs**

Subject to any agreement between the Sellers regarding the allocation of certain fees between them (but not any other party), each of the parties shall pay their own costs, charges and other expenses incurred by or in connection with the entering into and completion of this agreement.

19.6 **Transfer Taxes**

Any Transfer Taxes arising in connection with the entry into or performance of this agreement shall be for the account of the Purchaser.

19.7 **Counterparts**

This agreement may be executed in any number of counterparts, all of which, taken together, shall constitute one and the same agreement, and any party (including any duly authorised representative of a party) may enter into this agreement by executing a counterpart.

19.8 **Exercise of rights**

The rights of each party under this agreement:

(a) may be exercised as often as necessary; and

(b) may be waived only in writing and specifically.

Delay in exercising or non-exercise of any such right is not a waiver of that right.

19.9 **No right to delay**

No party shall be entitled to terminate or rescind this agreement except under clauses 5.7 (*Failure to satisfy the Completion Condition*), 6.5 (*Material Adverse Change*), 7.4 (*Seller failure to complete*) or 7.5 (*Purchaser failure to complete*). Save as provided in the foregoing sentence, neither the Purchaser nor the Guarantor shall have no right (including any right under common law or any right in respect of Claims, other than in the case of fraud) to delay or defer Completion or either before or after Completion to rescind or terminate or fail to perform this agreement and shall not be entitled to treat any other party or parties as having repudiated this agreement.

19.10 **Third party rights**

Save in respect of: (i) Matthew Wells and Janice O'Brien in respect of clauses 10 (*Purchaser's Warranties and Undertakings*), 11 (Guarantor's Warranties and Undertakings), 12 (*Guarantee*) and 16.2 (*Payment of Exit Bonuses*); (ii) the Institutional Seller Directors in respect of clause 16.4(*Release of Institutional Seller Directors*); (iii) the Institutional Seller Representative in respect of clause 21 (*Institutional Seller Representative*); (iv) the Senior Management Representative in respect of clause 22 (*Senior Management Representative*); and the Affiliates of the Seller in respect of clause 12 (*Guarantee*), a

person who is not a party to this agreement may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999. The parties may by agreement terminate or vary any term of this agreement without the consent of any such third party beneficiaries.

19.11 **Successors**

The rights and obligations of the Sellers and the Purchaser under this agreement shall continue for the benefit of, and shall be binding on, their respective successors and permitted assigns.

19.12 **Amendments**

No amendment of this agreement (or of any other Transaction Document) shall be valid unless it is in writing and duly executed by or on behalf of all of the parties to it.

19.13 **Severability**

The provisions contained in each clause and sub-clause of this agreement shall be enforceable independently of each of the others and their validity shall not be affected if any of the others are invalid.

20. WHOLE AGREEMENT

20.1 **Whole agreement**

This agreement and the other Transaction Documents contain the whole agreement between the parties relating to the transactions contemplated by the Transaction Documents and supersede all previous agreements, whether oral or in writing, between the parties relating to these transactions except the Confidentiality Agreement dated 20 June 2012 between the Institutional Seller and the Purchaser. Except as required by statute, no terms shall be implied (whether by custom, usage or otherwise) into this agreement.

20.2 **No reliance**

Each party:

(a) acknowledges that in agreeing to enter into this agreement and the other Transaction Documents to which it is a party, it has not relied on any express or implied representation, warranty, collateral contract or other assurance made by or on behalf of any other party before the entering into of this agreement; and

(b) waives all rights and remedies which, but for this clause 20.2 (*No reliance*), might otherwise be available to it in respect of any such express or implied representation, warranty, collateral contract or other assurance.

20.3 **No agency liability**

The Purchaser further acknowledges that no connected person or adviser of any Seller is authorised to make or give any warranty, representation, statement, undertaking or covenant of any nature on behalf of a Seller in respect of the transaction contemplated by this agreement and that no Seller shall have any liability to it in such respect (whether for vicarious acts or otherwise).

20.4 **No exclusion for fraud**

Nothing in this clause 20 (*Whole Agreement*) limits or excludes any liability for, or remedy in respect of, fraud.

21. INSTITUTIONAL SELLER REPRESENTATIVE

21.1 **Functions**

The Institutional Seller Representative shall be entitled to carry out the functions expressly conferred on it by this agreement.

21.2 **No liability**

The Institutional Seller Representative shall not be liable to any other Seller for any act or omission in connection with the performance by the Institutional Seller Representative (in that capacity) of his duties, functions and/or role under this agreement, except in the case of his fraud or dishonesty. The Institutional Seller Representative may act upon any instrument or written communication believed by the Institutional Seller Representative to be genuine and to be signed and presented by the proper person(s). Each of the Sellers (except Inflexion, Scott Allan Taylor and Stephen John Curl) hereby undertakes to indemnify and keep indemnified and hold harmless the Institutional Seller Representative from all losses, costs, damages, expenses (including professional fees) and any other liabilities that may be incurred by the Institutional Seller Representative (in that capacity) as a result of the performance of his duties, functions and role as the Institutional Seller Representative under this agreement provided that the Institutional Seller Representative shall not be entitled to indemnification for and in respect of any matter where his actions or inactions are fraudulent or dishonest.

22. SENIOR MANAGEMENT REPRESENTATIVE

22.1 **Functions**

The Senior Management Representative shall be entitled to carry out the functions expressly conferred on him by this agreement.

22.2 **No liability**

The Senior Management Representative shall not be liable to any Seller for any act or omission in connection with the performance by the Senior Management Representative (in that capacity) of his duties, functions and/or role under this agreement, except in the case of its fraud or other dishonesty. The Senior Management Representative may act upon any instrument or written communication believed by the Senior Management Representative to be genuine and to be signed and presented by the proper person(s). Each of the Sellers (except Inflexion, Scott Allan Taylor and Stephen John Curl) hereby undertakes to indemnify and keep indemnified and hold harmless the Senior Management Representative from all losses, costs, damages, expenses (including professional fees) and any other liabilities that may be incurred by the Senior Management Representative (in that capacity) as a result of the performance of his duties, functions and role as the Senior Management Representative under this agreement provided that the Senior Management Representative shall not be entitled to indemnification for and in respect of any matter where his actions or inactions are fraudulent or dishonest.

23. GOVERNING LAW AND JURISDICTION

23.1 **Governing law**

This agreement and any non-contractual obligations arising out of or in connection with it shall be governed by, and interpreted in accordance with, English law.

23.2 **Jurisdiction**

The English courts have exclusive jurisdiction to settle any dispute, claim or controversy arising out of or in connection with this agreement (including a dispute, claim or controversy relating to any non-contractual obligations arising out of or in connection with this agreement) and the parties submit to the exclusive jurisdiction of the English courts.

23.3 **Service of process**

Each of the Purchaser and Guarantor irrevocably appoints the Purchaser's Solicitors as its respective agent in England for service of process.

Christopher Forde irrevocably appoints the Senior Management Sellers' Solicitors as his agent in England for service of process.

Wolfgang Wandl irrevocably appoints the Senior Management Sellers' Solicitors as his agent in England for service of process.

23.4 **Waiver of objection to English courts**

The parties waive any objection to the English courts on grounds that they are an inconvenient or inappropriate forum to settle any such dispute.

23.5 **Waiver of trial by jury**

Each party irrevocably and unconditionally waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in any legal action or proceeding arising, directly or indirectly, out of or relating to this agreement or the transactions contemplated by it and to any counterclaim therein (in each case whether based on contract, tort or any other theory and whether predicated on common law, statute or otherwise). Each party (a) certifies that no representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver, and (b) acknowledges that it and the other parties have been induced to enter into this agreement by, among other things, the mutual waivers and certifications in this clause 23.5 (*Waiver of trial by jury*).

AS WITNESS this agreement has been signed by the parties (or their duly authorised representatives) on the date stated at the beginning of this agreement.

Schedule 1

THE SELLERS

PART 1

THE INSTITUTIONAL SELLER

Name	Address	Type of Shares	Number of Shares	Percentage of Consideration
HSBC Investment Bank Holdings plc	Level 23 8 Canada Square London E14 5HQ UK	A Ordinary Shares	3,983,000	82.29%
		C Ordinary Shares	100,000	2.07%
		Limited Participation Shares	50,000	0

PART 2

THE SENIOR MANAGEMENT SELLERS

Name	Address	Type of Shares	Number of Shares	Percentage of Consideration
James Gaskell	Millbank Farmhouse Maryculter Aberdeen AB12 5FT, UK	C Ordinary Shares	75,000	1.55%
		Limited Participation Shares	37,500	0
William John Bayliss	7 Queen's Grove Aberdeen AB15 8HE, UK	C Ordinary Shares	242,000	5%

PART 3

MANAGERS

Name	Address
Adrian Bannister	5 Queen's Grove Aberdeen AB15 8HE, UK
Anthony Alexander	38 Ashwood Grange Bridge of Don Aberdeen AB22 8XG, UK
Christopher Chapman	Rosemount Milton of Arbuthnott Laurencekirk Aberdeenshire AB30 1PF, UK
Christopher Forde	35A Beatrice Street Doubleview Western Australia 6018, Australia
Michael Main	2 Kirkton Road Westhill Aberdeen AB32 6LF, UK
Wolfgang Wandl	Melingsiden 34D 4056 Tananger Norway

PART 4

THE OTHER SELLERS

Name	Address	Type of Shares	Number of Shares	Percentage of Consideration
Inflexion Fund 2 Limited Partnership (acting through its general partner Inflexion Scottish Limited Partnership in turn acting through its general partner Inflexion General Partner Limited)	9 Mandeville Place London W1U 3AY UK	B Ordinary Shares	154,999	3.2%
Inflexion Moorings Co-Investment A Limited Partnership (acting through its general partner Inflexion G.P. Limited)	9 Mandeville Place London W1U 3AY UK	B Ordinary Shares	145,001	3%
Hugh Allan Webster	Sokak 298 No6 Camdibi Mah Marmaris Mugla 48700 Turkey	C Ordinary Shares	10,000	0.21%
			5,385	0
		Limited Participation Shares		
Scott Allan Taylor	26 Derberth Manor Kingswells Aberdeen AB15 8TZ UK	C Ordinary Shares	20,000	0.41%
			10,769	0
		Limited Participation Shares		
Stephen John Curl	Rockyfield Thorns Lane Underbarrow Cumbria LA8 8BB UK	C Ordinary Shares	20,000	0.41%
		Limited Participation Shares	10,769	0
LØP AS (Anne Lorup)	Ragnhildsgate 66 N-4044 Hafrsfjord Norway	C Ordinary Shares	15,000	0.31%
			8,077	0
		Limited Participation Shares		
Moor-Tech AS (Petter Nilsen)	Lensmannskroken 19 4050 Sola Norway	C Ordinary Shares	75,000	1.55%
		Limited Participation Shares	37,500	0

SCHEDULE 2

COMPANY DETAILS

Name	Venice Topco Limited
Date of incorporation	June 3, 2009
Registered company number	6,923,445
Registered office	1 Park Row Leeds LS1 5AB UK
Directors	William John Bayliss Anthony David Bernbaum Richard John Cole Donald William Featherstone Michael James Kershaw Patrick Martin Sixsmith
Issued share capital	A Ordinary Shares: 3,983,000 B Ordinary Shares: 300,000 C Ordinary Shares: 557,000 Limited Participation Shares: 160,000
Shareholders	See Schedule 1 (*The Sellers*)
Charges	1. Security agreement (2010) – HSBC Investment Bank Holdings plc 2. Security agreement (2011) – HSBC Investment Bank Holdings plc 3. Bond and floating charge – HSBC Investment Bank Holdings plc 4. Debenture – DNB BANK ASA 5. Bond and floating charge – DNB BANK ASA
Accounting reference date	31 December

SCHEDULE 3

COMPLETION

PART 1

SELLERS' OBLIGATIONS

At Completion each Seller shall deliver to the Purchaser:

(a) in respect of that Seller, a duly executed share transfer form or forms in favour of the Purchaser for the Shares held by such Seller;

(b) in respect of that Seller, the share certificates for the Shares held by it (or a lost certificate indemnity in a form reasonably satisfactory to the Purchaser);

(c) (in the case of the Institutional Seller) a notice from the Institutional Seller removing the Institutional Seller Directors under article 23(a) of the articles of association of the Company and clause 2.1 of the shareholders' agreement of the Company (confirming that they have no claims against any Group Company);

(d) (in the case of the Institutional Seller) the duly executed Junior Deed of Release and the Senior Deed of Release;

(e) (in the case of the Institutional Seller) confirmation that it has applied the External Facilities Repayment Amount in full satisfaction of the External Facilities; and

(f) (in the case of the Institutional Seller) copies (duly executed by the Institutional Seller) of, in respect of each of James Gaskell and Adrian Bannister, the letter between him and the Institutional Seller, the Company and the Purchaser in respect of his Completion bonus.

PART 2

PURCHASER'S OBLIGATIONS

At Completion the Purchaser shall:

(a) electronically transfer to the bank account of the Institutional Seller's Solicitors the Completion Amount minus the Escrow Sum;

(b) procure the repayment by the Company of the External Facilities Repayment Amount; and

(c) electronically transfer to the Escrow Sum to the Escrow Account.

SCHEDULE 4

LIMITATIONS ON CLAIMS

1. Acknowledgement

The Purchaser:

(a) admits and acknowledges that it has not entered into this agreement in reliance upon any warranties, representations, covenants, undertakings, indemnities or other statements whatsoever other than those expressly set out in this agreement and the Purchaser acknowledges that the Institutional Seller and the Other Sellers have not given any other such warranties, representations, covenants, undertakings, indemnities or other statements and that no claim for any such matters may be brought against the Institutional Seller or the Other Sellers or any of them;

(b) agrees that (unless expressly stated otherwise) rescission or termination shall not be available as a remedy for any breach of this agreement and agrees not to claim that remedy;

(c) agrees that the damages payable by any Institutional Seller or Other Seller in respect of a Claim shall be calculated on a contractual basis and calculation of damages on a tortious or any other basis is hereby excluded; and

(d) the remedies or relief to which the Purchaser is entitled in respect of any Claim shall only be damages for breach of contract and/or an injunction against continuing or anticipated breach, and those for any tortious act of any Institutional Seller or Other Seller, including misrepresentation, negligence, other breach of duty or on any other basis, are hereby excluded.

2. Initial notice

If the Purchaser becomes aware of a fact, matter or circumstance which may give rise to a Claim:

(a) the Purchaser shall give notice to the Institutional Seller and Other Sellers in respect of all Claims specifying that fact, matter or circumstance in reasonable detail (including the Purchaser's estimate, on a without prejudice basis, of the amount of such Claim) as soon as reasonably practicable after it becomes aware of that fact, matter or circumstance. Neither the Institutional Seller or the Other Sellers shall be liable for any losses in respect of a Claim to the extent that they are increased, or are not reduced, as a result of any failure by the Purchaser to give notice as contemplated by this paragraph 2;

(b) the Purchaser shall (or shall procure that the Company or any other Group Company concerned shall) provide to the relevant Institutional Seller or Other Seller and their advisers reasonable access to premises and personnel and to relevant assets, documents and records within the Group Companies for the purposes of investigating the matter; and

(c) the relevant person or persons may take copies of the documents or records, and photograph the premises or assets, referred to in paragraph 2(b) of this schedule.

3. Time limit for notice

The Institutional Seller and the Other Sellers shall not be liable in respect of any Claim unless written notice of it is given by the Purchaser in accordance with paragraph 2 (*Initial notice*) of this schedule by no later than two years after the Completion Date. Time is of the essence in relation to the provisions of this paragraph.

4. Time limit for commencing a Claim

The liability of the Institutional Seller and the Other Sellers in respect of any Claim shall terminate unless legal proceedings in connection with such Claim are both issued and served within two years after the date on which the Purchaser gives notice of that Claim in accordance with paragraph 2 of this schedule (*Initial notice*). Time is of the essence in relation to the provisions of this paragraph.

5. Financial limits

The maximum aggregate liability of the Institutional Seller and the Other Sellers in respect of all Claims shall be limited to 100%, of the amount, after Tax, of Consideration apportioned to such Seller as set out in the column Percentage of Consideration in Part 1 and Part 4 of Schedule 1 (*The Sellers*), provided that in all circumstances the maximum aggregate liability of each such Seller in respect of all Claims shall not exceed the amount of Consideration so apportioned to such Seller.

6. Payment of damages

Any payment made by the Institutional Seller or any Other Seller in respect of a Claim shall, to the maximum extent possible, be deemed to be a reduction in the Consideration.

7. Mitigation

The Purchaser shall take all reasonable steps to mitigate any loss or damage which it may suffer as a consequence of any fact, matter or circumstance which may give rise to any Claim.

8. Insurance

Without prejudice to the Purchaser's duty to mitigate under paragraph 7 (*Mitigation*) of this schedule, if in respect of any fact, matter or circumstance which would otherwise give rise to a Claim, the Purchaser, other member of the Purchaser's Group or Group Company is entitled to claim under any policy of insurance in respect of that fact, matter or circumstance, the amount of insurance monies to which the Purchaser or the relevant Group Company is entitled and receives shall reduce that Claim by an equivalent amount.

9. Contingent liabilities

No Institutional Seller or Other Seller shall have any liability under this agreement in respect of any liability which is contingent or otherwise not capable of being quantified unless (and until) such contingent liability becomes an actual liability or becomes capable of being qualified and gives rise to an obligation to make a payment. Provided a Claim has been notified in accordance with paragraph 2 (*Initial notice*) of this schedule then no Institutional Seller or Other Seller shall have any liability in respect of such Claim unless legal proceedings in connection with it are commenced within six months of the contingent liability becoming an actual liability or the liability is otherwise capable of being quantified.

10. Waiver of set-off rights

The Purchaser waives any and all rights of set-off, counterclaim, deduction or retention against or in respect of any of its payment obligations under this agreement.

11. Remedy of breaches

If the fact, matter or circumstance giving rise to a Claim is capable of remedy, the relevant person shall have no liability in respect of that Claim unless the relevant fact, matter or circumstance is not remedied within 30 days after the date on which the relevant person is notified of that Claim in accordance with paragraph 2 (*Initial notice*) of this schedule. The Purchaser shall procure that the relevant person is given the opportunity in that 30 day period to remedy the relevant fact, matter or circumstance and shall provide all reasonable assistance to the relevant person to remedy the relevant fact, matter or circumstance.

12. Consequential loss

No Institutional Seller or Other Seller shall have any liability under or in connection with this agreement in respect of any loss of business or profits, loss of production, loss of opportunity, any indirect or consequential loss or any punitive or aggravated damages.

13. No double recovery

The Purchaser shall not be entitled to recover damages or otherwise obtain payment, reimbursement or restitution more than once in respect of the same loss, liability, cost, expense or damage.

14. No employee claims

Save in the case of fraud or dishonesty, no Institutional Seller or Other Seller shall make any claim against any present or former Employee of any Group Company on the basis that it may have relied on any warranty, representation or assurances made by such a person before agreeing any term of or before entering into this agreement (except for any express term of this agreement).

15. Purchaser's knowledge

The Institutional Seller and the Other Sellers will not be liable for any Claim to the extent that such Claim arises directly out of or in connection with any fact, matter or circumstance which:

(a) is within the actual knowledge of Ted Wozniak as at the date of this agreement;

(b) to the extent that such fact, matter or circumstance concerns a financial matter, is within the actual knowledge of Tim Kolbeck as at the date of this agreement;

(c) to the extent that such fact, matter or circumstance concerns a health, safety, security or environmental matter, is within the actual knowledge of Tim Puylart as at the date of this agreement; or

(d) to the extent that such fact, matter or circumstance concerns a human resources or employment matter, is within the actual knowledge of Brad Davidson or Sheri Grissom as at the date of this agreement.

SCHEDULE 5

BASIS OF PREPARATION OF COMPLETION STATEMENT AND FINAL COMPLETION STATEMENT

1. GENERAL ACCOUNTING POLICIES

1.1 Purpose

The parties acknowledge that the sole purpose of the preparation of the Final Completion Statement is to determine the adjustments (if any) to be made to the Consideration in accordance with clauses 8.6 (*Payment of adjustment*) and 8.7 (*Adjustments*).

1.2 Priority

The Final Completion Statement shall be prepared as at the Effective Time and in the format set out in Schedule 7 (*Pro Forma Final Completion Statement*) in respect of the Group on a consolidated basis in accordance with:

(a) the specific accounting policies set out in paragraph 2 (*Specific Accounting Policies*) of this schedule;

(b) subject to paragraph 1.2(a), adopting the same basis of preparation as that used for, and in accordance with, the same accounting principles, policies, treatments, classifications, categorisations and practices as were applied to the Group in the preparation of the Management Accounts; and

(c) subject to paragraphs 1.2(a) and 1.2(b), in accordance with UK GAAP.

2. SPECIFIC ACCOUNTING POLICIES

2.1 No double counting

The provisions of this schedule and the line items comprising the Completion Statement and Final Completion Statement shall be interpreted so as to avoid double counting (whether positive or negative) of any items to be included in the Net Debt Estimate and the Working Capital Estimate or the Final Net Debt and the Final Working Capital.

2.2 Going concern

The Final Completion Statement shall be prepared on the basis that it relates to the Group as a going concern and exclude any effects of the change of control or ownership of the Group contemplated by this agreement.

2.3 Cut-off

The Final Completion Statement shall reflect favourable and unfavourable events occurring up to the date on which the draft of the Final Completion Statement is delivered to the Institutional Seller in accordance with clause 8.1 (*Final Completion Statement*) to the extent that such events provide evidence of conditions that existed as at the Effective Time.

2.4 Currency

Assets and liabilities denominated in currencies other than £ shall be translated into £ at the closing spot rate published by the Central European Bank on the last Business Day for which such rate is published before the Completion Date.

2.5 Stock

Amounts relating to the stock awaiting transfer into the hire fleet shall be excluded from the Final Working Capital (and Working Capital Estimate) and classified as 'Other'. Stock awaiting transfer into the hire fleet primarily relates to wire held in Norway, which will be required in the hire fleet and anchors in Singapore, for use on the Wheatstone project in Australia.

2.6 Sundry debtors

Any amounts relating to the funded or underfunded status and unrecognised actuarial losses or gains in relation to the Norwegian Defined Benefit Pension Scheme, as accounted for under NGAAP (NRS6), shall be classified as 'Other' and excluded from both the Final Working Capital (and Working Capital Estimate) and the Final Net Debt (and the Net Debt Estimate).

The bank guarantees, primarily in relation to office premises in Australia and Singapore and security provided in respect of the VS People trading license in Singapore and deposits which mainly relate to the potential Landcorp property purchase in Australia, cash backed credit cards and other property deposits in Australia shall be excluded from the Final Working Capital (and Working Capital Estimate) and included in the Final Net Debt (and Net Debt Estimate).

The Escrow Moneys (including any accrued interest) in the Escrow Account in favour of Zibo, as defined under the Escrow Agreement between Viking, Zibo and Ince & Co dated 11 June 2012, in relation to the Songa Matter (specifically, to cover the cost of offloading certain anchor chains from Chengdu Port in China), shall be included in Final Working Capital (and Working Capital Estimate) and excluded from Final Net Debt (and the Net Debt Estimate).

2.7 Sundry creditors

The provision relating to the Songa Matter shall be valued at five hundred and eighty four thousand British Pounds Sterling (£584,000) in the Final Completion Statement (except as reduced in accordance with clause 6.1(c)(xvii)). This provision shall be excluded from the Final Working Capital (and Working Capital Estimate) and included in the Final Net Debt (and Net Debt Estimate).

The Institutional Seller Directors' fees and charges shall be excluded from the Final Working Capital (and Working Capital Estimate) and included in the Final Net Debt (and Net Debt Estimate).

2.8 Exit Bonuses

Any amounts relating to the Exit Bonuses shall be classified as 'Other' and excluded from both the Final Working Capital (and Working Capital Estimate) and the Final Net Debt (and the Net Debt Estimate).

2.9 Transaction Fees

Any amounts relating to the Transaction Fees shall be classified as 'Other' and excluded from both the Final Working Capital (and Working Capital Estimate) and the Final Net Debt (and the Net Debt Estimate).

2.10 Capex Prepayments and Capex Creditors

(a) Capex Prepayments (including prepayments in relation to any assets under construction) and Capex Creditors shall be excluded from the Final Working Capital (and Working Capital Estimate) and included in the Final Net Debt (and Net Debt Estimate).

(b) Any capex additions in relation to the Lundin Arrangements shall be treated as a reduction in Final Net Debt (and Net Debt Estimate).

(c) Any other assets which are capitalized on or after 30 June 2013 shall be treated as a reduction in Final Net Debt (and Net Debt Estimate).

2.11 Corporation tax

Provision for current period corporation tax shall be included in the Final Completion Account Statement as if the period commencing on 1 January 2013 and ending at the Effective Time was an accounting period for tax purposes.

2.12 Debt

Debt means, without duplication, all liabilities and obligations of the Group for (i) borrowed money (including Junior Debt and Senior Debt), (ii) leases that are required to be classified as capital lease obligations in accordance with UK GAAP, (iii) notes, bonds, debentures, hedging and swap arrangements or other similar instruments (including the fair value liability of any interest rate hedges), (iv) deferred purchase price for goods or services (other than trade payables incurred in the ordinary course of business) and conditional sale or other title retention agreements with respect to property acquired, (v) any funded letters of credit, bankers acceptance or similar credit transaction, (vi) indebtedness secured by liens on or security interests in any asset of such person, (vii) corporate income taxes payables, including any amount in relation to withholding tax payable in the Asia Pacific region (other than VAT and similar taxes), (viii) provision for the Songa Matter, (ix) accrued director's fees, (x) Norway withholding tax (other than in respect of any payroll related withholding tax imposed in relation to any transfer of the Wandl Shares), (xi) direct or indirect guarantees of liabilities or obligations of the type referred to in clauses (i) through (x) above to other persons, and (xii) the sum of five thousand British Pounds Sterling (£5,000) in relation to the cost of the Escrow Account ,and (xiii) all accrued interest and all premiums, penalties, redemption costs and other charges and expenses in respect of each of the repayment or assumption of any of foregoing in (i) through (xii) as of the Completion Date.

SCHEDULE 6

PRO FORMA COMPLETION STATEMENT

Item	Reference	£
Enterprise Valuation	clause 1.1 (*Definitions*)	X
Less: Net Debt Estimate	clause 1.1 (*Definitions*)	(X)
Less: Exit Bonuses (grossed up to include the amount of employer national insurance contributions)	clause 1.1 (*Definitions*) and Schedule 5 (*Basis of Preparation of Completion Statement and Final Completion Statement*)	(X)
Less: Transaction Fees	clause 1.1 (*Definitions*)	(X)
Plus: Interim Working Capital Adjustment (if any)	clause 1.1 (*Definitions*)	X
COMPLETION AMOUNT		X
Working Capital Estimate:	Schedule 5 (*Basis of Preparation of Completion Statement and Final Completion Statement*)	
Stocks		X
Trade debtors		X
Sundry debtors		X
Trade creditors		(X)
Sundry creditors		(X)
Deferred income		(X)
Working Capital Estimate		X

SCHEDULE 7

PRO FORMA FINAL COMPLETION STATEMENT

	Balance as at Effective Time	Final Net Debt	Final Working Capital	Other
Net tangible assets	X	X		X
Intangible assets	X			X
Stock	X		X	X
Trade debtors	X		X	
Sundry debtors Deposits/Guarantees, Accrued Revenue, VAT/GST	X	X	X	X
Cash	X	X		
Trade creditors	(X)	(X)	(X)	
Corporation tax	X	X		
Sundry creditors, Songa Matter, Accruals, Payroll/Taxes	(X)	(X)	(X)	
Loan finance − External	(X)	(X)		
Fair value of any interest rate hedges		(X)		
Deferred tax	(X)			(X)
Deferred income	(X)		(X)	
TOTALS	**X**	**(X)**	**X**	**X**

Item	Reference	£	£
Enterprise Valuation	clause 1.1 (*Definitions*)		X/(X)
Less: Final Net Debt	clause 1.1 (*Definitions*)	(X)	
Less Exit Bonuses (grossed up to include the amount of employer national insurance contributions)	clause 1.1 (*Definitions*) and Schedule 5 (*Basis of Preparation of Completion Statement and Final Completion Statement*)	X	
Less: Transaction Fees	clause 1.1 (*Definitions*)		X/(X)
Plus: Working Capital Adjustment under clause 8.6 (*Payment of adjustment*) and 8.7(*Adjustments*)	clause 1.1 (*Definitions*)		X/(X)
FINAL COMPLETION AMOUNT			

SCHEDULE 8

INDEPENDENT ACCOUNTANTS

1. Purpose

If there is a referral to the Independent Accountants under this agreement, the provisions of this schedule shall apply.

2. Engagement

The Independent Accountants shall be engaged jointly by the Institutional Seller and the Purchaser on the terms set out in this schedule.

3. Initial written statement

The Institutional Seller and the Purchaser shall each prepare a written statement on the Disputed Amounts which, together with any relevant documents, shall be submitted simultaneously to the Independent Accountants and to each other.

4. Written response

The Institutional Seller and the Purchaser may each submit to the Independent Accountants one set of written comments on the other party's written statement, a copy of which is to be provided simultaneously to such other party.

5. Powers of the Independent Accountants

The Independent Accountants shall:

(a) be entitled to stipulate the time periods within which the Institutional Seller and the Purchaser shall prepare and submit the written statement and written comments referred to in paragraphs 3 (*Initial written statement*) and 4 (*Written response*) above (such time periods to be at least 14 days) and to disregard any written statement or comments not delivered to the Independent Accountants within the time periods so stipulated;

(b) be entitled to require such parties and their respective accountants to attend one or more meetings and to make enquiries of them about any matters which the Independent Accountants consider relevant;

(c) permit each such party to be present while oral submissions are being made by the other party;

(d) in the absence of agreement between the Institutional Seller and the Purchaser, be entitled to determine the procedure to be followed in undertaking their determination, insofar as the procedure is not set out herein; and

(e) be entitled to appoint advisers (including legal advisers) if required.

6. Assistance

The Institutional Seller and the Purchaser shall each use their best endeavours to procure that the Independent Accountants are given all such assistance and access to documents and other information as they may reasonably require to make their determination.

7. Time

The Independent Accountants shall be requested to give their decision on matters in dispute within 30 Business Days of the date of their appointment.

8. Form of determination

The Independent Accountants' determination shall:

(a) be limited to whether any arguments for the alteration to the Final Completion Statement put forward by the Purchaser are correct, and if so, what alterations should be made to correct any inaccuracy or error in the Final Completion Statement;

(b) be given in writing in the English language; and

(c) include the reasoning supporting the determination.

9. Determination final and binding

Save in the case of fraud or manifest error, the Independent Accountants' determination shall be final and binding on the parties.

10. Role of Independent Accountants

The Independent Accountants shall act as experts and not as arbitrators.

11. Costs of the parties

The Sellers and the Purchaser shall bear their own respective costs incurred in respect of the dispute resolution process under this schedule.

12. Costs of the Independent Accountants

The costs of the Independent Accountants (including their expenses and the costs of any advisers to the Independent Accountants) shall be borne by the parties in such proportions as the Independent Accountants shall determine in their absolute discretion or, in the absence of any such determination, by the Sellers and the Purchaser equally.

13. Retention of documents relating to dispute

Each of the Institutional Seller, the Purchaser and the Independent Accountants shall, and shall procure that their respective advisers shall, keep all information and documents provided to them under this schedule confidential for the period ending on the date three years after the Completion Date, and shall not use the same for any purpose, except in connection with the preparation of the Final Completion Statement, the proceedings of the Independent Accountants or another matter arising out of this agreement or in defending any claim relating to this agreement.

SIGNATORIES

IN WITNESS WHEREOF this agreement has been duly executed on the day and year written above.

HSBC INVESTMENT BANK HOLDINGS PLC

By: /s/ Michael Kershaw
Name: Michael Kershaw
Title: Attorney (by power of attorney)

JAMES GASKELL

By: /s/ James Gaskell
Name: James Gaskell
Title: Senior management

WILLIAM JOHN BAYLISS

By: /s/ William John Bayliss
Name: William John Bayliss
Title: Senior Management

ADRIAN BANNISTER

By: /s/ William John Bayliss
Name: William John Bayliss
Title: Attorney (by power of attorney)

ANTHONY ALEXANDER

By: /s/ William John Bayliss
Name: William John Bayliss
Title: Attorney (by power of attorney)

CHRISTOPHER CHAPMAN

By: /s/ William John Bayliss
Name: William John Bayliss
Title: Attorney (by power of attorney)

CHRISTOPHER FORDE

By: /s/ William John Bayliss
Name: William John Bayliss
Title: Attorney (by power of attorney)

MICHAEL MAIN

By: /s/ William John Bayliss
Name: William John Bayliss
Title: Attorney (by power of attorney)

WOLFGANG WANDL

By: /s/ James Gaskell
Name: James Gaskell
Title: Attorney (by power of attorney)

INFLEXION FUND 2 LIMITED PARTNERSHIP

Acting through its general partner INFLEXION SCOTTISH LIMITED PARTNER
Acting in turn through its general partner INFLEXION GENERAL PARTNER LIMITED

By: /s/ Timothy Smallbone
Name: Timothy Smallbone
Title: Attorney (by power of attorney)

INFLEXION MOORINGS CO-INVESTMENT A LIMITED PARTNERSHIP

Acting through its general partner INFLEXION G.P. LIMITED

By: /s/ Timothy Smallbone
Name: Timothy Smallbone
Title: Attorney (by power of attorney)

STEPHEN JOHN CURL

By: /s/ Timothy Smallbone
Name: Timothy Smallbone
Title: Attorney (by power of attorney)

SCOTT ALLAN TAYLOR

By: /s/ Timothy Smallbone
Name: Timothy Smallbone
Title: Attorney (by power of attorney)

MOOR-TECH AS

By: /s/ James Gaskell
Name: James Gaskell
Title: Attorney (by power of attorney)

HUGH ALLAN WEBSTER

By: /s/ James Gaskell
Name: James Gaskell
Title: Attorney (by power of attorney)

LØP AS

By: /s/ James Gaskell
Name: James Gaskell
Title: Attorney (by power of attorney)

ACTUANT ACQUISITIONS LIMITED

By: /s/ Theodore C. Wozniak
Name: Theodore C. Wozniak
Title: Attorney (by power of attorney)

ACTUANT CORPORATION

By: /s/ Theodore C. Wozniak
Name: Theodore C. Wozniak
Title: Attorney (by power of attorney)

Exhibit 2.1(b)
2013

THE PERSONS LISTED IN SCHEDULE 1

as Management Warrantors

and

ACTUANT ACQUISITIONS LIMITED

as Purchaser

WARRANTY DEED

relating to:

the sale and purchase of Venice Topco Limited

McDermott Will & Emery

Heron Tower
110 Bishopsgate
London EC2N 4AY
DX 42619 Cheapside
www.mwe.com

Tel: +44 20 7577 6900
Fax: +44 20 7577 6950

MWE (28.07.2013)

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THIS DEED is dated 2013.

BETWEEN

(1) **THE INDIVIDUALS** whose names and addresses are set out in Schedule 1 (together the **Management Warrantors**); and

(2) **ACTUANT ACQUISITIONS LIMITED** (registered in England and Wales with number 7633576) whose registered office is at Unit 601, Axcess 10 Business Park, Bentley Road South, Darlaston, West Midlands, WS10 8LQ, England (the **Purchaser**).

BACKGROUND

This Deed is entered into in connection with a share sale and purchase agreement of even date herewith (the **Share Purchase Agreement**) made between the Sellers and the Purchaser (each as defined therein) relating to the acquisition by the Purchaser of the Company.

IT IS AGREED as follows:

1. Definitions and Interpretation

1.1 In this Deed:

Accounts: the consolidated audited balance sheet, profit and loss statement and cash flow statement of the Group in respect of the accounting period ending on the Accounts Date, including all notes to such statements.

Accounts Date: 31 December 2012.

Act: Companies Act 2006.

Adrian Bannister Exit Bonus Letter: the letter between Adrian Bannister, HSBC Investment Bank Holdings plc, the Purchaser and the Company dated on or around the date of this Deed.

A Ordinary Share: an A ordinary share of £0.001 in the capital of the Company.

Applicable Law: any law (including common law or other binding law), statute, regulation, code, ordinance, rule, judgment, order, decree or directive or any determination by or requirement of a Competent Authority.

Authority: any local, national, multinational, governmental or non-governmental authority, statutory undertaking, agency or public or regulatory body (whether present or future) which has jurisdiction over the Business.

Bayliss Deduction any amount which has been deducted from William John Bayliss' entitlement to the Escrow Sum (as such term is defined in the Share Purchase Agreement) in accordance with Clause 4 of the Share Purchase Agreement.

Bayliss Shares: the shares in the capital of the Company which were sold to William John Bayliss by HSBC Investment Bank Holdings plc pursuant to the Bayliss SPA.

Bayliss SPA: the agreement for the sale and purchase of shares in the Company dated 22 November 2012 and made between HSBC Investment Bank Holdings plc and William John Bayliss.

Bayliss Warranty Claim: a claim by the Purchaser under or in respect of the warranty given to it by William John Bayliss in Clause 3.12.

Bonus Agreement: each bonus agreement in the form which is initialled by William John Bayliss and the Purchaser for the purpose of identification only and which is to be entered into between the Management Warrantors (excluding WW Moor AS) and Wolfgang Wandl and the Company on Completion.

B Ordinary Share: a B ordinary share of £0.001 in the capital of the Company.

Business: the business carried on by the Group as at, and before, Completion and includes any part of it.

Business Day: a day (other than a Saturday, Sunday or public holiday) on which banks are generally open in London or New York for normal business.

Claim: a claim under this Deed or a Share Purchase Agreement Title Claim.

Commercial Warranties: the Warranties, other than the Fundamental Warranties and the Tax Warranties.

Commercial Warranty Claim: a claim under or in respect of a Commercial Warranty or Commercial Warranties.

Company: Venice Topco Limited, a company incorporated and registered in the United Kingdom with company number 06923445 whose registered office is at 1 Park Row, Leeds, LS1 5AB.

Competent Authority: any national, state or local government authority, any government, quasi-governmental, judicial, public or administrative agency, authority or body, any court of competent jurisdiction or any operator or regulator of a recognised investment exchange.

Competition Law: the national and directly effective legislation of any jurisdiction which governs the conduct of companies or individuals in relation to restrictive or other anti-competitive agreements or practices (including, but not limited to, cartels, pricing, resale pricing, market sharing, bid rigging, terms of trading, purchase or supply and joint ventures), dominant or monopoly market positions (whether held individually or collectively) and the control of acquisitions or mergers.

Completion: completion of the sale and purchase of the Shares in accordance with the Share Purchase Agreement.

Completion Date: the date of Completion of the Share Purchase Agreement according to its terms.

Consideration: means an amount equal to the aggregate of all sums paid to the Management Warrantors (i) under the Share Purchase Agreement and the WW Moor AS Share Purchase Agreement and (ii) by way of Exit Bonus.

Contract of Employment: each contract of employment in the form which is initialled by William John Bayliss and the Purchaser for the purpose of identification only and which is to be entered into between the Management Warrantors (excluding WW Moor AS) and Wolfgang Wandl and the Company on Completion.

C Ordinary Share: a C ordinary share of £0.001 in the capital of the Company.

CTA 2009: the Corporation Tax Act 2009.

CTA 2010: the Corporation Tax Act 2010.

Data Room: the electronic data site hosted by Merrill Corporation made available to the Purchaser in connection with the transaction contemplated by the Transaction Documents and entitled "Albion".

Data Room CD: the CD containing the contents of the Data Room initialed by or on behalf of the Purchaser's Solicitors and the Management Warrantors' Solicitors for the purposes of identification.

Determined Claim: has the meaning given in paragraph 13.2 of Schedule 4 (*Limitations*).

Determined Liability: has the meaning given in paragraph 13.2 of Schedule 4 (*Limitations*).

Director: a person who is, at the date of this Deed, a director of a Group Company.

Disclosed: fairly disclosed with sufficient detail to enable the Purchaser to identify the nature and scope of the matter disclosed.

Disclosure Bundle: the bundle of documents in hard copy form made available to the Purchaser in connection with the Warranties and initialed by or on behalf of the Purchaser's Solicitors and the Management Warrantors' Solicitors for the purposes of identification.

Disclosure Documents: the documents which are listed in schedule 2 to the Disclosure Letter and which are contained on the Data Room CD or in the Disclosure Bundle, and a reference in this Deed to a Disclosure Document followed by a number is to the document which is so numbered in that schedule.

Disclosure Letter: the letter from the Management Warrantors to the Purchaser with the same date as this Deed in relation to the Warranties.

Effective Time: 11:59 P.M. on the day before the Completion Date.

Eligible Commercial Warranty Claim: has the meaning given in paragraph 5 of Schedule 4 (*Limitations*).

Employee: means an individual who has entered into or works under a contract of employment with any Group Company and also includes any director or other officer of any Group Company whether or not he has entered into or works or worked under a contract of employment with any Group Company.

Encumbrance: means any mortgage, charge (fixed or floating), pledge, lien, option, right to acquire, right of pre-emption, assignment by way of security or trust arrangement for the purpose of providing security or other security interest of any kind (including any retention arrangement), or any agreement to create any of the foregoing and, as to the Shares, any voting agreement, proxy, option or restriction on transfer (other than any restriction which is contained in the articles of association of the Company).

Exit Bonus: the meaning given in the Share Purchase Agreement.

Exit Bonus Letters: the meaning given in the Share Purchase Agreement.

Exit Bonus Payees: the meaning given in the Share Purchase Agreement.

Fundamental Warranties: the Warranties in paragraph 19 of Schedule 3 (*Warranties*).

Fundamental Warranty Claim: a claim under or in respect of a Fundamental Warranty or Fundamental Warranties.

Group: the Company and its Subsidiaries.

Group Companies: the Company and its Subsidiaries, and **Group Company** means any one of them.

Intellectual Property: has the meaning given in paragraph 7 of Schedule 3 (*Warranties*).

IHTA: the Inheritance Tax Act 1984.

ITEPA: the Income Tax (Earnings and Pensions) Act 2003.

James Gaskell Exit Bonus Letter: the letter between James Gaskell, HSBC Investment Bank Holdings plc, the Purchaser and the Company dated on or around the date of this Deed.

Key Employee: each of William John Bayliss, Adrian Bannister, James Gaskell, Wolfgang Wandl, Anthony Alexander, Christopher Chapman, Christopher Forde, Michael Main, Tom Bower, John Dick, Mathew Wells, Janice O'Brien, Matthew Gordon, Ronnie Coull, Gus Smart, Donald Taylor, Brian Reid, Anne Lorup, Irene Marken, Trond Waldow, Kare Pederson, Knut Fisketjon, Anna Keen, Jamie Scoringe, Mike Kochalski, Wenchao Zhang, and Gavin Crossan.

Limited Participation Share: a limited participation share of £0.001 in the capital of the Company.

Management Accounts: the unaudited consolidated balance sheet, profit and loss statement and cash flow statement of the Group in respect of the accounting period commencing on the day after the Accounts Date and ending on 30 June 2013, including all notes to such statements.

Management Sellers: James Gaskell and William John Bayliss.

Management Warrantors' Solicitors: Addleshaw Goddard LLP, 100 Barbirolli Square, Manchester M2 3 AB.

Norwegian Pension Scheme: the defined benefit pension scheme arranged with Storebrand Livsforsikring AS by each of Viking Sea Tech Holdings Norge AS, Viking Sea Tech Group Norge AS and Viking SeaTech Norge AS entitling the employees to the following pension benefits: retirement/old age pension, disability pension, spouse/cohabitant pension and child pension.

Opined Liability: has the meaning given in paragraph 13.2 of Schedule 4 (*Limitations*).

Pension Schemes: the group personal pension scheme as provided by Scottish Widows under policy number P000067722 and the Norwegian Pension Scheme.

Permitted Assignee: has the meaning given in Clause 9.2.

Properties: the leasehold properties occupied by Group Companies as set out in Appendix 4 of the vendor legal due diligence report prepared by Pinsent Masons LLP (up to and including 12 July 2013) for the benefit of the Company and the Purchaser, and **Property** means any one of them).

Purchaser Bonus Obligation: has the meaning given in paragraph 13.1 of Schedule 4 (*Limitations*).

Purchaser's Group: the Purchaser, any subsidiary of the Purchaser, any direct or indirect holding company of the Purchaser and any subsidiary of any such holding company of the Purchaser, from time to time.

Purchaser's Solicitors: McDermott Will & Emery LLP of 110 Bishopsgate, London EC2N 4AY.

Relevant Day: has the meaning given in Clause 6.4.

Set-off Management Warrantor: has the meaning given in paragraph 13.1 of Schedule 4 (*Limitations*).

Shareholders' Agreement: Disclosure Document O2.

Share Purchase Agreement Title Claim: a claim by the Purchaser against any Management Seller under or in respect of any warranty, representation, statement, covenant or undertaking as to the interest of that Management Seller in any Share which forms an express or implied term of the Share Purchase Agreement.

Shares: the A Ordinary Shares, B Ordinary Shares, C Ordinary Shares and Limited Participation Shares as set out in part A of Schedule 2 (*Company Details*).

Subsidiary: has the meaning given in section 1159 of the Act.

Supplementary Disclosure Letter: a letter from the Management Warrantors to the Purchaser to be delivered to the Purchaser or the Purchaser's Solicitors on Completion (and covering matters in relation to the Warranties in the period between (and including) the date of this Deed and Completion).

Tax or Taxation: all forms of taxation and statutory, governmental, state, federal, provincial, local, government or municipal charges, duties, imposts, contributions, levies, withholdings or liabilities wherever chargeable and whether of the UK or any other jurisdiction (including, for the avoidance of doubt, national insurance contributions in the UK and corresponding obligations elsewhere) and any penalty, fine, surcharge, interest, charges or costs relating thereto (including interest and penalties arising from the failure of the Company or any Subsidiary to make adequate instalment payments under the Corporation Tax (Instalments Payments) Regulations 1998 (SI 1998/3175) in any period ending on or before Completion).

Tax Authority: any government, state or municipality or any local, state, federal or other fiscal, revenue, customs or excise authority, body or official competent to impose, administer, levy, assess or collect Tax in the UK or elsewhere.

Taxation Statute: any directive, statute, enactment, law or regulation wherever enacted or issued, coming into force or entered into providing for or imposing any Tax and shall include orders, regulations, instruments, bye-laws or other subordinate legislation made under the relevant statute or statutory provision and any directive, statute, enactment, law, order, regulation or provision which amends, extends, consolidates or replaces the same or which has been amended, extended, consolidated or replaced by the same.

Tax Warranties: the Warranties in paragraph 18 of Schedule 3 (*Warranties*).

Tax Warranty Claim: a claim under or in respect of a Tax Warranty or Tax Warranties.

TMA: the Taxes Management Act 1970.

Transaction Documents: this Deed, the Disclosure Letter, the Share Purchase Agreement, the Bonus Agreements, the Contracts of Employment and the WW Moor

AS Share Purchase Agreement (and any document relating to or entered into in connection with the WW Moor AS Share Purchase Agreement) (each a **Transaction Document**).

UK GAAP: all Statements of Standard Accounting Practice, Financial Reporting Standards and Urgent Issues Task Force Abstracts issued by the Accounting Standards Board, and mandatory as at the Effective Time.

Undetermined Claim: has the meaning given in paragraph 13.2 of Schedule 4 (*Limitations*).

VATA: the Value Added Tax Act 1994.

Warranted Period: the period starting on 25 July 2009 and ending immediately before Completion.

Warranties: the warranties referred to in Clause 3 and set out in Schedule 3 (*Warranties*).

WW Moor AS Share Purchase Agreement: the agreement dated on or around the date of this Deed pursuant to which WW Moor AS sold the C Ordinary Shares and Limited Participation Shares it owned in the share capital of the Company to HSBC Investment Bank Holdings plc.

WW Moor AS Tax Claim: a claim by the Purchaser under paragraph 2 of Schedule 7.

1.2 Headings in this Deed shall not affect its interpretation.

1.3 Unless otherwise specified or the context otherwise requires, in this Deed:

(a) reference to **clauses**, **Schedules** or **Appendices** are references to clauses, schedules and appendices of this Deed and references to **parts** and **paragraphs** are to parts and paragraphs of the relevant Schedule;

(b) a **person** shall be deemed to include references to all forms of legal entity, including a natural person, a body corporate, a partnership, an association, an organisation and a trust (in each case whether or not having a separate legal personality), but references to **individuals** shall be deemed to be references to natural persons only;

(c) a **company** is a reference to a company within the meaning of section 1 of the Act;

(d) a **subsidiary** or **holding company** is a reference to those terms within their respective meanings set out in section 1159 of the Act;

(e) words denoting the singular shall include the plural and vice versa;

(f) words denoting one gender shall include each gender and all genders;

(g) reference to a statute or statutory instrument or accounting standard or regulations (where the context so admits and unless otherwise expressly provided) shall be construed as a reference to that statute or statutory instrument or accounting standard or regulations as amended, consolidated, extended or

re-enacted from time to time (whether before or after the date of this Deed) except to the extent that any amendment or modification made after the date of this Deed would increase the liability of any party under this Deed;

(h) reference to **writing** or **written** includes any methods of representing words in a legible form (other than writing on an electronic or visual display screen) or other writing in non-transitory form;

(i) reference to **party** or **parties** is to a party or the parties to this Deed and includes their respective successors in title, estates and legal personal representatives;

(j) the words **include** and **including** are to be construed as being by way of illustration or emphasis only and are not to be construed so as to limit the generality of any words preceding them;

(k) the words **other** and **otherwise** are not to be construed as being limited by the words preceding them;

(l) reference to a **document** is a reference to the document whether in paper or electronic form as amended, varied, supplemented or novated, in each case, other than in breach of the provisions of this Deed;

(m) reference to a **day** (including within the expression **Business Day**) shall mean a period of twenty-four (24) hours running from midnight to midnight;

(n) reference to the time of day is a reference to United Kingdom time;

(o) references to £ or pounds sterling are references to the lawful currency for the time being of the United Kingdom;

(p) any English legal term for any action, remedy, procedure, judicial proceeding, legal document, legal status or legal concept is, in respect of any jurisdiction other than England and Wales, deemed to include what most nearly approximates in that jurisdiction to the English legal term and any reference to an English statute shall be construed so as to include the equivalent or analogous laws of any other jurisdiction; and

(q) a person shall be deemed **connected** with another if that person is connected with that other within the meaning of sections 1122 and 1123 of the Corporation Tax Act 2010 (other than sections 1122(4) and 1122(7)), except that no Management Warrantor shall be connected with the Purchaser or any Group Company, nor shall any Management Warrantor be connected with any other Management Warrantor (or a connected person of another Management Warrantor) by virtue of the transactions contemplated by this Deed or the Share Purchase Agreement or being a holder of Shares in the Company.

1.4 Words and expressions defined in the Act shall have the same meanings wherever used in this Deed, unless such words and expressions are expressly defined in this Deed or the context otherwise requires.

1.5 Unless expressly stated otherwise, all warranties, representations, agreements and obligations expressed to be given or entered into by more than one person are given or

entered into severally (and thus not jointly or jointly and severally) by the persons concerned.

1.6 References to persons procuring the doing of any act, matter or thing are references to persons doing such act, matter or thing as far as they are legally able, including by exercising voting rights, appointing or removing Directors, passing resolutions, giving consents or approvals, executing documents or otherwise (and procure and procurement shall be construed accordingly).

2. Consideration

In consideration of the Purchaser entering into the Share Purchase Agreement, the Management Warrantors have agreed to give the warranties, undertakings and covenants set out in this Deed.

3. Warranties

3.1 Each of the Management Warrantors individually and severally (and thus not jointly or jointly and severally) warrants to, and for the benefit of, the Purchaser (and the Purchaser's successors in title) at the date of this Deed in the terms set out in Schedule 3 *(Warranties)*. The Warranties shall not in any respect be extinguished or affected by Completion.

3.2 The Warranties shall be deemed to be repeated at Completion (and, accordingly, references to "the date of this Deed" in Schedule 3 (*Warranties)* shall be deemed to be references to "Completion"). The Management Warrantors shall only be required, however, to deliver the register which is referred to in the Warranty contained in paragraph 3.1 of Schedule 3 as at the Business Day immediately preceding the date of this Deed and not again as at the Business Day immediately preceding Completion.

3.3 Where a Warranty is expressly qualified by the knowledge, information, belief or awareness of the Management Warrantors, that Warranty is deemed to include a statement that such knowledge, information, belief or awareness (and for the purposes of paragraph 11.2 of Schedule 3 only, is deemed to include those facts matters and circumstances of which the Management Warrantors ought reasonably to be aware) has been acquired after reasonable enquiries by the Management Warrantors of each other and of Wolfgang Wandl.

3.4 Each of the Warranties is separate and, unless otherwise specifically provided, is not limited by reference to any other Warranty or any other provision in this Deed.

3.5 The Management Warrantors agree that any information supplied to them or their advisors in connection with the Warranties, the information Disclosed or otherwise by, or on behalf of:

(a) any member of the Group; or

(b) any of the employees, contractors, directors, agents or other representative of any member of the Group (**Officers**),

shall not constitute a warranty, representation or guarantee as to the accuracy of such information in favour of any Management Warrantor. Each of the Management Warrantors waives, in favour of the Purchaser and (as applicable) each of the Group

Companies and each Officer, all and any claims which they might otherwise have against any of them in respect of such Warranties or the information in the Disclosure Letter. For the avoidance of doubt, the Company and any other member of the Group (acting by any director, officer and/or employee) may enforce the terms of this clause 3.5 in accordance with the Contracts (Rights of Third Parties) Act 1999.

3.6

3.6.1 All sums payable to the Purchaser under this Deed shall be paid without any rights of counterclaim or set-off and free and clear of all deductions or withholdings of any kind, save only as may be required by law. Should a deduction or withholding in respect of Tax be required by law to be made by any Management Warrantor from any such payment, the deduction or withholding in respect of Tax shall be made in the minimum amount required by law and that Management Warrantor (i) shall provide such evidence of the relevant deduction or withholding as the Purchaser may reasonably require and (ii) shall pay to the Purchaser such sum as will, after the deduction or withholding in respect of Tax has been made, leave the Purchaser with the same amount as the Purchaser would have received had no deduction or withholding been made.

3.6.2 If any sum payable by a Management Seller to the Purchaser under this Deed (a **Payment**) is subject to Tax in the hands of the Purchaser, that Management Seller shall pay such additional amount as shall ensure that the net amount received by the Purchaser shall be the amount that the Purchaser would have received if the Payment had not been subject to Tax.

3.6.3 If the Purchaser would, but for the availability of a Purchaser's Relief (as defined in Schedule 5 (*Tax*)), incur a Tax liability falling within Clause 3.6.2, it shall be deemed for the purposes of that Clause to have incurred and paid that liability.

3.6.4 It is intended by the parties that any Payment will fall within section 13 ('Indemnity Payments') of HM Revenue and Customs' Extra-Statutory Concession D33 (**D33**). No Management Seller shall be liable to pay any additional amount under Clause 3.6.2 to the extent that such payment does not fall within D33 as a direct result of any voluntary act of the Purchaser (including any assignment of its rights under this Deed or the Share Purchase Agreement) following Completion.

3.7 The provisions of Schedule 4 (*Limitations on Claims*) and Schedule 5 (*Tax*) shall apply to limit the liability of the Management Warrantors under this Deed, save that the provisions of Schedule 4 (*Limitations on Claims*) and Schedule 5 (*Tax*) shall not apply in respect of any Claim against a Management Warrantor arising out of fraud on the part of that Management Warrantor.

3.8 The Warranties are qualified to the extent of those matters Disclosed in the Disclosure Letter or Disclosed in any of the Disclosure Documents. The Warranties are also qualified to the extent of any matters Disclosed in the Supplemental Disclosure Letter, save where such matter occurred prior to the date of this Deed.

3.9 In the case of a breach of any Tax Warranty contained in paragraph 18.1, 18.2, 18.5, 18.8 or 18.18 only of Schedule 5, the Management Warrantors shall (subject to the

provisions of Clause 3.8 and Schedules 4 and 5) be liable to pay to the Purchaser (on a pound-for-pound basis) an amount equal to any payment of Tax for which a Group Company is liable and for which it would not have been liable had there been no such breach. The liability of the Management Warrantors in respect of all breaches of the other Warranties shall be calculated in accordance with paragraphs 1(b) and (c) of Schedule 4.

3.10 Any payment to be made under Clause 3.9 shall be made (i) within 15 Business Days from the date on which notice setting out the amount due is served on the Management Warrantors by the Purchaser or (ii), if later, on the date that is 15 Business Days before the last date on which the payment by the relevant Group Company of the relevant Tax may be made in order to avoid it incurring a liability to interest and penalties.

3.11 A reference in a Fundamental Warranty to "Management Warrantor", "Management Warrantors", "its", "it", "him" or "he" shall be deemed to be a reference only to the relevant Management Warrantor giving the relevant Fundamental Warranty and not to any other person.

3.12 William John Bayliss warrants to the Purchaser that, at the time of the acquisition by him of the Bayliss Shares and save for under the articles of association for the time being of the Company or the Shareholders' Agreement, there were no arrangements between the Company and William John Bayliss in relation to the Bayliss Shares, nor were any such arrangements likely to come into existence, in either case that had the effect of enabling William John Bayliss (or any member of his family or household) to obtain an amount or total amount of money that was, or was likely to be, similar to the expense incurred in the provision of the Bayliss Shares.

3.13 Notwithstanding any other provision in this Deed, the warranty given by William John Bayliss in Clause 3.12 will not be qualified by any matters Disclosed in the Disclosure Letter or Disclosed in any of the Disclosure Documents, nor shall such warranty be qualified to any extent by any matters Disclosed in the Supplemental Disclosure Letter.

4. Tax

The provisions of Schedule 5 (*Tax)* apply in this Deed.

5. WW Moor AS

5.1 The provisions of Schedule 7 (*Covenant by WW Moor AS)* apply in this Deed with effect from Completion.

5.2 Wolfgang Wandl acknowledges and agrees with the Purchaser that he is the sole shareholder in WW Moor AS and, in that capacity, he shall procure the due and punctual performance of WW Moor AS's obligations under this Deed, (including, but not limited to, under the provisions of Schedule 7) including any payment obligation.

6. Notice

6.1 A notice given under this Deed shall be:

(a) in writing;

(b) in the English language; and

(c) delivered personally or sent by post (and commercial courier if overseas) to the party due to receive the notice to the address set out in Clause 6.2 or to an alternative postal address or person specified by that party by not less than five (5) Business Days' written notice to the other parties received before the notice was dispatched.

6.2 The postal addresses for service of notice are:

(c) in the case of any Management Warrantor, to the address specified against his or its name in Schedule 1, with a copy to the Management Warrantors' Solicitors, FAO Roger Hart.

(d) in the case of the Purchaser, to the address specified on page 1 of this Deed, with a copy to each of:

(1) Actuant Corporation, N86 W12500 Westbrook Crossing, Menomonee Falls, Wisconsin 53051, United States of America, FAO Ted Wozniak.

(2) Purchaser's Solicitors, FAO Russell Van Praagh.

6.3 If a notice has been properly sent or delivered in accordance with this Clause 6, it shall be deemed to have been received as follows:

(a) if delivered personally, at the time of delivery;

(b) if sent by post, 48 hours after the time of posting; and

(c) if delivered by commercial courier, at the time of signature of the courier's delivery receipt.

6.4 If deemed receipt under Clause 6.3 is not within business hours (meaning 9.00am to 5.30pm Monday to Friday on a Relevant Day) it shall be deemed to have been served at 9.00am on the next Relevant Day. For the purposes of this Clause 6.4, a **Relevant Day** means a day other than a Saturday or a Sunday or a day which is a public holiday at the postal address of the receiving party and any reference to a time is a time at the postal address of the receiving party.

6.5 No notice shall be validly served under this Deed by any means save as set out in Clause 6.1(c).

7. Third party rights

7.1 Any person to whom any rights of a party are validly assigned in accordance with Clause 9 may rely on and enforce such rights.

7.2 Unless expressly stated otherwise, a person who is not a party to this Deed shall not have any rights under or in connection with it by virtue of the Contracts (Rights of Third Parties) Act 1999 and no term is enforceable under the Contracts (Rights of Third Parties) Act 1999 by any such person.

7.3 The right of the parties to terminate, rescind or agree any amendment, variation, waiver or settlement under this Deed is not subject to the consent of any person that is not a party to this Deed and, accordingly, section 2(1) of the Contracts (Rights of Third Parties) Act 1999 shall not apply.

8. Entire agreement

8.1 This Deed and the other Transaction Documents, and any agreements or documents referred to in this Deed or any other Transaction Document or executed contemporaneously with this Deed or such other Transaction Document, constitute the whole agreement between the parties about the subject matter of this Deed and supersede all previous arrangements, understandings and agreements between them, whether oral or written, relating to such subject matter.

8.2 Each party acknowledges that, in entering into this Deed and the other Transaction Documents, it does not rely on, and shall have no remedy in respect of, any express or implied representation or warranty or undertaking (whether made innocently or negligently) that is not set out in this Deed or in any of the other Transaction Documents.

8.3 Nothing in Clauses 8.1 and 8.2 shall limit or exclude the liability of any party for fraud or fraudulent misrepresentation by him or it.

9. Assignment

9.1 Subject to Clauses 9.2, 9.3 and 9.4, no person may assign, or grant any Encumbrance over or deal in any way with, any of its rights, benefits or obligations under this Deed or any other Transaction Document without the prior written consent of each other party.

9.2 The Purchaser may assign all or any of its rights and benefits under this Deed to any member of the Purchaser's Group (each a **Permitted Assignee**) provided that if such Permitted Assignee ceases to be member of the Purchaser's Group, the Permitted Assignee shall assign the rights and benefits assigned to it by the Purchaser to the Purchaser or a member of the Purchaser's Group immediately prior to ceasing to be a member of the Purchaser's Group.

9.3 The Purchaser or any Permitted Assignee may assign all or any of its rights and benefits under this Deed to any incoming third party purchaser of all or part of the Business (including shares in any Group Company).

9.4 A Management Warrantor's liability under this Deed shall be no greater following an assignment than it would have been to the Purchaser had the Deed not been assigned.

10. Bonus Agreements, Contracts of Employment and further assurance

10.1 On Completion:

10.1.1 each Management Warrantor (excluding WW Moor AS) and Wolfgang Wandl shall duly execute his respective Bonus Agreement and Contract of Employment and deliver the same to the Purchaser; and

10.1.2 the Purchaser shall procure that the Company shall duly execute each of the Bonus Agreements and Contract of Employments and deliver the same to the Management Warrantors (excluding WW Moor AS) and Wolfgang Wandl.

10.2 Each party shall promptly execute and deliver all such documents, and do all such things, as the other party may from time to time reasonably require for the purpose of giving full effect to the provisions of this Deed.

11. Costs

Except where this Deed provides otherwise, each party shall pay its own costs relating to the negotiation, preparation, execution and performance by it of this Deed.

12. Miscellaneous

12.1 The parties to this Deed are not in partnership with each other and there is no relationship of principal and agent between them.

12.2 A variation of this Deed shall be in writing and signed by or on behalf of all parties.

12.3 A waiver of any right under this Deed shall only be effective if it is in writing and shall apply only to the person to which the waiver is addressed and the circumstances for which it is given.

12.4 A person that waives a right in relation to one person, or takes or fails to take any action against that person, does not affect its rights against any other person.

12.5 No failure to exercise or delay in exercising any right or remedy provided under this Deed or by Applicable Law constitutes a waiver of such right or remedy or shall prevent any future exercise in whole or in part thereof.

12.6 No single or partial exercise of any right or remedy under this Deed shall preclude or restrict the further exercise of any such right or remedy.

12.7 Unless specifically provided otherwise, rights and remedies arising under this Deed are cumulative and do not exclude rights and remedies provided by Applicable Law.

12.8 If any provision of this Deed (or part of a provision) is found by any Competent Authority to be invalid, unenforceable or illegal, the other provisions shall remain in force and unaffected.

12.9 If any invalid, unenforceable or illegal provision would be valid, enforceable or legal if some part of it were deleted or modified, the provision shall apply with whatever modification is necessary to give effect to the commercial intention of the parties.

12.10 This Deed may be executed in any number of counterparts, each of which is an original and which together have the same effect as if each party had signed the same document.

12.11 This Deed (other than obligations that have already been fully performed) remains in full force notwithstanding Completion and the rights of each party in respect of this Deed and shall not be affected by Completion.

13. Governing law and jurisdiction

13.1 This Deed and any disputes or claims arising out of or in connection with its subject matter or formation (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, English law.

13.2 The parties irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this Deed or its subject matter or formation (including non-contractual disputes or claims). The parties irrevocably submit to such jurisdiction and waive any objection to it on the ground of inconvenient forum or otherwise. No party shall oppose the recognition or enforcement of a judgment, order or decision of the courts of England and Wales in respect of any such dispute or claim by the courts of any state which, under the laws and rules applicable to that state, are competent or able to grant such recognition or enforcement.

This Deed has been entered into on the date stated at the beginning of it.

13.3

SCHEDULE 1

PARTICULARS OF MANAGEMENT WARRANTORS

Name	Address
WW Moor AS	Melingsiden 34D 4056 Tananger Norway
James Gaskell	Millbank Farmhouse Maryculter Aberdeen AB12 5FT UK
William John Bayliss	7 Queen's Grove Aberdeen AB15 8HE UK
Adrian Bannister	5 Queen's Grove Aberdeen AB15 8HE UK
Anthony Alexander	38 Ashwood Grange Bridge of Don Aberdeen AB22 8XG
Christopher Chapman	Rosemount Milton of Arbuthnott Laurencekirk Aberdeenshire AB30 1PF
Christopher Forde	35A Beatrice Street Doubleview Western Australia 6018

Michael Main	2 Kirkton Road Westhill Aberdeen AB32 6LF

SCHEDULE 2
COMPANY DETAILS

PART A – THE COMPANY

Name	Venice Topco Limited
Date of incorporation	June 3, 2009
Registered company number	6,923,445
Registered office	1 Park Row Leeds LS1 5AB UK
Directors	William John Bayliss Anthony David Bernbaum Richard John Cole Donald William Featherstone Michael James Kershaw Patrick Martin Sixsmith
Issued share capital	A Ordinary Shares: 3,983,000 B Ordinary Shares: 300,000 C Ordinary Shares: 557,000 Limited Participation Shares: 160,000 Deferred Shares: 9,409,219,923
Shareholders	See Schedule 1 of the Share Purchase Agreement
Charges	1. Security agreement (2010) – HSBC Investment Bank Holdings plc 2. Security agreement (2011) – HSBC Investment Bank Holdings plc 3. Bond and floating charge – HSBC Investment Bank Holdings plc 4. Debenture – DNB BANK ASA 5. Bond and floating charge – DNB BANK ASA
Accounting reference date	31 December

PART B – THE SUBSIDIARIES

UK

Name	Venice Fundco Limited
Registered address	1 Park Row, Leeds, LS1 5AB
Issued share capital	1,170,000 Ordinary Shares
Shareholder(s)	Venice Topco Limited
Directors	(1) James Gaskell (2) William John Bayliss (3) Adrian Bannister (4) Chris Chapman

Name	Viking SeaTech People (UK) Limited
Registered address	1 Park Row, Leeds, LS1 5AB
Issued share capital	1 Ordinary Share
Shareholder(s)	Venice Fundco Limited
Directors	(1) James Gaskell (2) William John Bayliss (3) Chris Chapman

Name	Viking SeaTech Limited
Registered address	1 Albyn Terrace, Aberdeen, AB10 1YP
Issued share capital	800,000 A Ordinary Shares 200,000 B Ordinary Shares
Shareholder(s)	Venice Fundco Limited
Directors	(1) James Gaskell (2) Adrian Bannister (3) William John Bayliss (4) Mike Main

Name	Viking Moorings Holdings Limited
Registered address	1 Park Row, Leeds, LS1 5AB
Issued share capital	125,000 Ordinary Shares
Shareholder(s)	Venice Fundco Limited
Directors	(1) James Gaskell (2) Adrian Bannister (3) William John Bayliss

Name	Viking Moorings Group Limited
Registered address	1 Park Row, Leeds, LS1 5AB
Issued share capital	260,000 Ordinary Shares
Shareholder(s)	Viking SeaTech Holdings Limited
Directors	(1) James Gaskell (2) Adrian Bannister (3) William John Bayliss

Norway

Name	Viking SeaTech Holdings AS
Registered address	Tangen 11, 4070 RANDABERG, Norway
Issued share capital	NOK 1 000 000 denominated on 1 000 000 shares each with a par value of NOK 1
Shareholder(s)	Venice Fundco Limited
Directors	(1) William John Bayliss (2) Wolfgang Wandl (3) James Richard Gaskell

Name	Viking SeaTech Group AS
Registered address	Tangen 11, 4070 RANDABERG, Norway
Issued share capital	NOK 2 800 000 denominated on 2 800 000 shares each with a par value of NOK 1
Shareholder(s)	Viking SeaTech Holdings AS
Directors	(1) William John Bayliss (2) Wolfgang Wandl

Name	Viking SeaTech Norge AS
Registered address	Tangen 11, 4070 RANDABERG, Norway
Issued share capital	NOK 500 denominated on 500 shares each with a par value of NOK 1
Shareholder(s)	Viking SeaTech Group AS
Directors	(1) William John Bayliss (2) Wolfgang Wandl (3) James Richard Gaskell

Singapore

Name	Viking SeaTech Holdings (Singapore) Pte Limited
Registered address	80 Robinson Road, #02-00, Singapore 068898
Issued share capital	1 ordinary share
Shareholder(s)	Venice Fundco Limited
Directors	(1) William John Bayliss; (2) Adrian John Bannister; (3) Christopher Michael Forde; (4) Jamie Martin Scoringe; and (5) Eddie Teoh Siah Hai

Name	Viking SeaTech (Singapore) Pte Limited
Registered address	80 Robinson Road, #02-00, Singapore 068898
Issued share capital	1 ordinary share
Shareholder(s)	Viking SeaTech Holdings (Singapore) Pte. Limited
Directors	(1) William John Bayliss; (2) Adrian John Bannister; (3) Christopher Michael Forde; (4) Jamie Martin Scoringe; and (5) Eddie Teoh Siah Hai

Name	Viking SeaTech People (Singapore) Pte Limited
Registered address	80 Robinson Road, #02-00, Singapore 068898
Issued share capital	1 ordinary share
Shareholder(s)	Viking SeaTech Holdings (Singapore) Pte. Limited
Directors	(1) William John Bayliss; (2) James Richard Gaskell; (3) Adrian John Bannister; (4) Christopher Michael Forde; (5) Jamie Martin Scoringe; and (6) Gabriel Soh Lee Swee

Australia

Name	Viking SeaTech (Australia) Pty Limited
Registered address	M Squaered & Associates Pty Ltd, 40 Churchill Avenue, Subiaco Western Australia 6008
Issued share capital	1 Ordinary Share (Issued)
Shareholder(s)	Viking Moorings Ltd (of Peterseat Drive, Peterseat Park Altens, Aberdeen AB123HT, United Kingdom)
Directors	(1) William John Bayliss; (2) Adrian Bannister; (3) Christopher Michael Forde; and (4) Jamie Martin Scoringe

Other

Name	PT Viking SeaTech Indonesia
Registered address	Gedung Sovereign Plaza, 21st Fl., Jl. TB Simatupang Kav. 36, RT.002/02, Sub district of Cilandak Barat, District of Cilandak, Jakarta Selatan, Indonesia
Issued share capital	261,250 Class A Shares 13,750 Class B Shares
Shareholder(s)	Venice Fundco Limited : 261,250 Class A Shares Mr. Jose Dima Satria: 13,750 Class B Shares
Director(s)	Christopher Michael Forde

SCHEDULE 3

WARRANTIES

1. Financial matters

1.1 The accounting reference date of each Group Company is and has at all times during the last five years been 31 December.

1.2 Since 31 December 2012:

(a) the Group's business has been carried on in its ordinary course and in substantially the same manner as immediately before 31 December 2012;

(b) no loan or loan capital has been repaid by any Group Company in whole or in part or has become liable to be so repaid; and

(c) no Group Company has declared, paid or made any dividend or other distribution.

1.3 Full details of all:

(a) overdraft, loan and other financial facilities available to the Group; and

(b) agreements or arrangements for hire in or rent in by any Group Company, hire-purchase by any Group Company or conditional sale to or purchase by any Group Company by way of credit or instalment payment to which any Group Company is a party (each a **Lease Agreement**), save for Small Lease Agreements,

(including any Encumbrance relating to such facilities, agreements or arrangements) and copies of all documents relating to such facilities, agreements or arrangements are contained in the Disclosure Documents.

In this schedule, a **Small Lease Agreement** is any agreement or arrangement for hire in or rent in by any Group Company, hire-purchase by any Group Company or conditional sale to or purchase by any Group Company by way of credit or instalment payment to which any Group Company is a party where the annual payments by the relevant Group Company thereunder do not exceed £50,000.

2. The Business, trading and disposals

2.1 There is no agreement to which any Group Company is party which significantly restricts the fields in which it may carry on its business.

2.2 Save in the normal course of its business, no Group Company is party to any confidentiality or secrecy agreement or undertaking which may restrict its use or disclosure of any information.

2.3 No substantial part of the Business is carried on under the agreement or consent of a third party.

2.4 No Group Company is party to any agreement which:

(a) is not on arm's length terms;

(b) is outside the ordinary course of the Group Company's business;

(c) imposes any commitment on the Group Company to obtain or supply goods or services exclusively from or to any person;

(d) contains any commitment for the supply or purchase of goods or services where the supply, purchase or delivery may take place more than 12 months after the time of fixing of the price;

(e) is incapable of termination by the Group Company in accordance with its terms on no more than 12 months' notice; or

(f) gives the other party an option to acquire or dispose of any asset or requires the Group Company to do so.

3. Assets

3.1 The Group keeps a register of the fixed assets owned and used by it in the Business which is up-to-date as at the Business Day immediately preceding the date of this Deed (**Fixed Assets**), and a copy of that register is contained in the Disclosure Documents.

3.2 Save for assets held under Lease Agreements or Small Lease Agreements or subject to Permitted Security Interests, the Fixed Assets are the property of the Group free from any Encumbrance. In this paragraph, **Permitted Security Interest** means:

(a) any unpaid vendor's or supplier's lien arising in the ordinary course of the Business in order to secure amounts which are due to be paid by the relevant Group Company for goods or services sold or supplied (but, for the avoidance of doubt, are not overdue amounts); and

(b) liens arising by operation of law, including a banker's lien.

3.3 All assets necessary for the operation or conduct of the businesses of the Group Companies are, in the aggregate, in adequate operating condition and repair, normal wear and tear excepted, other than machinery and equipment which as at the date of this Deed:

(g) is under repair or out of service in the ordinary course of business and is not, in the aggregate, material to the Business;

(h) is out on hire to a customer; or

(i) has been returned to the relevant Group Company from hire to a customer, but in respect of which an inspection has not yet been completed by or on behalf of the Group.

3.4 No material fixed assets included in the Accounts have been disposed of by any Group Company since 1 January 2013 otherwise than in the ordinary course of business.

4. Directors and employees

4.1 There is a schedule contained in the Disclosure Documents showing the following information in relation to each Key Employee:

(c) name of employee;

(d) date of birth;

(e) job description;

(f) emoluments (including any bonus or commission arrangements and any non-cash benefits);

(g) date of commencement of employment or of any previous employment with which such employment is continuous;

(h) notice period required to be given by the employer Group Company and the employee;

(i) whether or not a member of any of the Pension Schemes;

(j) (other than a Key Employee who is employed in Norway) whether or not a member of a trade union; and

(k) date of last increase in salary.

4.2 Copies of a representative sample of the contracts of employment between each relevant Group Company and each of its employees is contained in the Disclosure Documents.

4.3 A copy of any consultancy agreement is contained in the Disclosure Documents. In this paragraph, **consultancy agreement** means an agreement entered into between any Group Company and an independent contractor either in his or her own individual name or via his or her service company pursuant to which he or she is engaged to provide specific services to the Group Company.

4.4 Since 31 December 2012, no material change has been made by any Group Company to the terms of employment of any of its directors or any Key Employee.

4.5 Since 31 December 2012, no director of any Group Company or Key Employee has given notice terminating his contract of employment or is under notice of dismissal.

4.6 No amount due to or in respect of any employee or former employee is in arrear and unpaid other than his salary for the month current and in respect of the reimbursement of expenses.

4.7 No Group Company is involved in any material dispute with any of its directors or Key Employees, and so far as the Management Warrantors are aware, there are no present circumstances (excluding Completion) which are likely to give rise to any such dispute.

4.8 There is no existing, and no Group Company has received notice or is otherwise on notice of, any dispute between any Group Company and any material number or category of its employees or any trade union or other organisation formed for a similar purpose.

4.9 There is no collective bargaining agreement or other arrangement (whether binding or not) between any Group Company and any trade union or other body representing its employees.

4.10 No Group Company has or is proposing to introduce any share incentive scheme, share option scheme or profit sharing bonus or other incentive scheme for any director, officer or employee.

5. Pension arrangements

Save in relation to the Pension Schemes, there is not and has not been in operation, and no proposal has been announced to enter into or establish, any agreement, arrangement, custom or practice (whether enforceable or not) for the provision of Relevant Benefits or sickness or disability benefits for any person to which any Group Company is, has been or will be a party and no Group Company has contributed, and is not and will not become under any obligation to contribute, to any such agreement, arrangement, custom or practice and no Group Company has provided such benefits on a voluntary basis.

In this paragraph, **Relevant Benefits** means any pension (including an annuity), lump sum, gratuity or other like benefit given or to be given on retirement or on death, or by virtue of a pension sharing order or provision, or in anticipation of retirement, or, in connection with past service, after retirement or death, or to be given on or in anticipation of or in connection with any change in the nature of the service of the employee in question.

6. Information technology

6.1 The Group does not use any computer software other than standard off-the-shelf packages generally available to the public (**Standard Software**), and no Standard Software used by the Group has been materially modified.

6.2 A Group Company possesses all necessary licences with respect to its use of Standard Software and no material licence terms have been breached by any Group Company.

6.3

(a) So far as the Management Warrantors are aware, each Group Company has complied in all material respects with the Data Protection Act 1998 and the Privacy and Electronic Communications (EC Directive) Regulations 2003 (together, the **Data Protection Laws**).

(b) No Group Company has received a notice or allegation from any relevant data protection supervisory authority, a data subject or other individual alleging non-compliance with the Data Protection Laws.

7. Intellectual property

In this paragraph 7:

Company IPR means all Intellectual Property set out in Schedule 6 (**Intellectual Property**).

Intellectual Property means patents, registered designs, trade marks and service marks (whether registered or not and including applications for any of the foregoing), copyright, design right, trading names, rights in and to confidential information and know-how rights in and to databases.

7.1 The Company IPR is in full force and effect and not subject to any application for cancellation, amendment, licence of right or compulsory licence.

7.2 No item of Company IPR is the subject of a claim or opposition from any person as to title, validity, enforceability or entitlement and no Group Company has received notice or is otherwise on notice of litigation or other proceedings (whether legal or administrative) which involve any of the Company IPR or, so far as the Management Warrantors are aware, any circumstances likely to give rise to any such proceedings.

7.3 All application, renewal and other official statutory and regulatory fees rendered to and received by any Group Company before the date of this Deed relating to the administration of the Company IPR or for the protection or enforcement of the Company IPR have been duly paid and all reasonable and prudent steps have been taken for their maintenance and protection.

7.4 Since 31 December 2012, no Group Company has sold or otherwise disposed of any Intellectual Property owned or used by the Group.

7.5 So far as the Management Warrantors are aware, no Group Company has infringed the Intellectual Property of any other person and no Group Company has received written notice of any such infringement.

7.6 There is, and within the past 12 months there has been, no actual or, so far as the Management Warrantors are aware, threatened infringement (including misuse of confidential information) or, so far as the Management Warrantors are aware, any event likely to constitute an infringement or breach by any third party of any of the Company IPR.

7.7 No Group Company has granted, or is obliged to grant, to any person any licence of any Intellectual Property owned by it or licensed to it.

8. Property matters and interests in land

8.1 The Group Company does not own, nor is it in occupation of nor is it entitled to any estate or interest in, any freehold or leasehold property other than the Properties. No Group Company is party to any uncompleted agreement to acquire or to dispose of any freehold or leasehold property.

8.2 The title deeds to the Properties are in a Group Company's possession.

8.3 Except in relation to the Properties, no Group Company has any liability (whether actual or contingent) in relation to any leasehold or freehold property.

8.4 In the case of a Property in which a Group Company has a leasehold interest, the Group Company has, subject to the terms of the relevant lease or applicable law, good and marketable title to the tenant's interest in that Property without exception or reservation.

8.5 All outgoings payable by a Group Company under the terms documenting its occupancy of the Properties have been paid to date, including rent, service charge and insurance and no written notice of any alleged breach or non-observance of any of the terms of any such occupancy document has been received by any Group Company and, so far as the Management Warrantors

are aware, there are no changes to rent (or similar payments) in the course of being determined or exercisable by the landlord from a date before the date of this Deed.

9. Litigation, disputes and investigations

9.1 Apart from (if relevant) the collection of debts in the ordinary course of the Business (involving debts of not more than £10,000 in any individual case or £100,000 across the Group in aggregate), no Group Company is engaged in any capacity in any litigation, arbitration, prosecution or other legal proceedings or alternative dispute resolution or in any proceedings or hearings before any Authority; no such matters are, so far as the Management Warrantors are aware, pending or threatened.

9.2 There is no outstanding judgment, order, decree, arbitral or mediation award or decision of any court, tribunal, arbitrator or Authority against any Group Company.

10. Insurance

10.1 Particulars of all insurance policies maintained by the Group Company immediately before the date of this Deed or in respect of which it has an insured interest immediately before the date of this Deed (**Policies**) are contained in the Disclosure Letter.

10.2 All premiums due from the Group Companies in respect of the Policies have been paid.

10.3 No single claim exceeding £50,000 is outstanding either by the insurer or the insured under any of the Policies.

10.4 Details of all material claims made by any Group Company under any insurance policy in the last two years are set out in the Disclosure Letter.

11. Compliance and regulatory

11.1 So far as the Management Warrantors are aware, each Group Company has conducted its business in accordance with the requirements of all Applicable Laws (including, without limitation, Competition Laws) and has not been and is not being investigated for any alleged non-compliance with or infringement of such Applicable Laws (including, without limitation, Competition Laws).

11.2 So far as the Management Warrantors are aware, each Group Company has conducted its business, in all material respects, in accordance with the requirements of all Applicable Laws (including, without limitation, Competition Laws).

11.3 No Group Company is subject to any prohibition, order, condition, undertaking, assurance or similar measure or obligation imposed by or under any Applicable Law (including, without limitation, Competition Law).

11.4

(a) The Group has obtained all material authorities, permits, licences and consents required for or in connection with the carrying on of the Business in the places and in the manner in which the Business is now carried on including without limitation in relation to environmental matters;

(b) such authorities are in full force; and

(c) so far as the Management Warrantors are aware, there are no circumstances which indicate that any such authorities will be revoked or not renewed.

11.5 All registers and minute books required by law to be kept by each Group Company have, in all material respects, been properly written up and the Group Company has not received any written application or request for rectification of its statutory registers or any notice or allegation that any of them is incorrect.

11.6 No Group Company has received written notice that it is in violation of, or in default with respect to, any statute or regulation, order, decree or judgment of any court or any governmental agency of the jurisdiction in which it is incorporated which could have a material adverse effect upon its business.

12. Constitutional

12.1 The Company is a private company limited by shares duly incorporated in England and Wales.

12.2 The Shares constitute the entire issued share capital of Venice Topco Limited.

12.3 The information in Schedule 2 (*Company Details*) is accurate in all material respects.

12.4 Save as disclosed in Schedule 2 (*Company Details*), no Group Company has any:

(a) interest in the share capital of, or other investment in, any body corporate;

(b) interest in any partnership, joint venture, consortium or other unincorporated association or arrangement for sharing profit or losses; or

(c) branch, agency, place of business or permanent establishment outside the United Kingdom or substantial assets outside the United Kingdom.

12.5 No share or loan capital of any Group Company is now under option or is agreed or resolved conditionally or unconditionally to be created or issued or put under option.

13. Accounts receivable

All accounts receivable are properly reflected on the books and records of the Group Companies, and are not subject to any set-offs or counterclaims or disputes and, so far as the Management Warrantors are aware, are collectible in the ordinary course of business using normal collection practices.

14. Environmental matters

14.1 None of the Group Companies has received any written notice alleging any violation of, non-compliance with, liability pursuant to or potential responsibility for remediation pursuant to any environmental laws, which matter remains unresolved and so far as the Management Warrantors are aware no such notice is threatened in writing.

14.2 No hazardous material has been transported, stored, treated or disposed of by the Group Companies, except as would not reasonably be expected to result in an environmental liability of a Group Company.

14.3 So far as the Management Warrantors are aware and except as in compliance with environmental laws and regulations, there has been no disposal or release by or at the direction of any Group Company of any hazardous materials.

14.4 No Group Company has entered into, agreed to, or is subject to any order under any environmental laws.

15. Product warranty and liability

15.1 Except as is implied by statute, no Group Company is responsible for any express or implied warranties or indemnities in connection with the sale or distribution of any products or services.

15.2 Except to the extent reserved against in the Accounts, no Group Company has received any written notifications of any claims arising out of any injury to any person or property with respect to the ownership, possession or use of any product manufactured, sold, distributed, leased or delivered by a Group Company prior to the date of this Deed not fully covered by insurance and, so far as the Management Warrantors are aware, there are no circumstances in existence which are reasonably likely to give rise to such a claim.

15.3 The Disclosure Documents contain the standard terms and conditions of sale used by the Group.

16. Undisclosed liabilities

So far as the Management Warrantors are aware, there is no liability, debt or obligation of or claim against any Group Company required by UK GAAP to be set forth on a balance sheet or income statement or in the footnotes to a financial statement prepared in accordance with UK GAAP, except for liabilities and obligations (a) reflected or reserved for in the Accounts or disclosed in the notes thereto, (b) that have arisen since the Accounts Date in the ordinary course of the operation of the business of the Group or (c) disclosed in the Disclosure Letter.

17. Brokers

So far as the Management Warrantors are aware, no one is entitled to receive from any Group Company any finder's fee, brokerage or commission or other benefit in connection with the sale of the Shares

18. Tax Warranties

18.1 All notices, returns (including any stamp duty land tax land transaction returns), reports, accounts, computations, statements, assessments, claims, disclaimers, elections and registrations and any other necessary information which are required by law to have been submitted by the Company or any Subsidiary to any Tax Authority for the purposes of Taxation in the Warranted Period have been submitted within applicable time limits and were accurate and complete in all material respects. None of the above is the subject of any material dispute with any Tax Authority.

18.2 All Taxation (whether of the UK or elsewhere), for which the Company or any Subsidiary has been or become liable within the Warranted Period, has been duly paid (insofar as such Taxation has fallen due) by the due dates and no penalties, fines, surcharges or interest have been incurred.

18.3 The Company and each Subsidiary maintains materially complete and accurate records, invoices and other information in relation to Taxation, that meet all legal requirements.

18.4 The Disclosure Letter discloses whether or not the Company or any Subsidiary is a **large company** within the meaning of regulation 3 of the Corporation Tax (Instalment Payment) Regulations 1998 (SI 1998/3175).

18.5 All amounts in respect of Taxation (including where applicable national insurance contributions) deductible within the Warranted Period under the PAYE system, the Construction Industry Scheme and/or any other Taxation Statute have, so far as is required by law to be deducted, been deducted from all payments made (or treated as made) by the Company or any Subsidiary. All such deducted amounts due to be paid to the relevant Tax Authority on or before the date of this agreement and within the Warranted Period have been so paid.

18.6 The Disclosure Letter contains details of any payments or loans made to, any assets made available or transferred to, or any assets earmarked, in each case, within the Warranted Period, however informally, for the benefit of, any employee or former employee (or any associate of such employee or former employee) of the Company or any Subsidiary by an employee benefit trust or another third party, and which fall within the provisions of Part 7A to ITEPA 2003.

18.7 The Disclosure Letter contains details of all concessions, agreements and arrangements of which the Management Warrantors are aware that the Company of any Subsidiary has entered into in the Warranted Period with a Tax Authority.

18.8 Neither the Company nor any Subsidiary has, in the Warranted Period, become liable to make to any person (including any Tax Authority) any payment in respect of any liability to Taxation which is primarily or directly chargeable against, or attributable to, any other person (other than the Company or any Subsidiary).

18.9 So far as the Management Warrantors are aware, the Accounts provide for Taxation of the Company and its Subsidiaries in accordance with UK GAAP.

Distributions and other payments

18.10 No distribution or deemed distribution, within the meaning of section 1000 or sections 1022-1027 of CTA 2010, has been made (or will be deemed to have been made) within the Warranted Period, by the Company or any Subsidiary, except dividends shown in their statutory accounts, and neither the Company nor any Subsidiary is bound to make any such distribution.

18.11 Neither the Company nor any Subsidiary has, within the Warranted Period, been engaged in, nor been a party to, any of the transactions set out in Chapter 5 of Part 23 of CTA 2010 (demergers).

Loan relationships

18.12 All financing costs, including interest, discounts and premiums payable by the Company or any Subsidiary in respect of its loan relationships within the meaning of Chapter 8 of Part 5 of CTA

2009 are eligible to be brought into account by the Company or the Subsidiaries as a debit for the purposes of Part 5 of CTA 2009 at the time and to the extent that such debits are recognised in the statutory accounts of the Company or the Subsidiaries.

Close companies

18.13 Any loans or advances made, or agreed to be made in the Warranted Period, by the Company or any Subsidiary within sections 455, 459 and 460 of CTA 2010 have been disclosed in the Disclosure Letter. Neither the Company nor any Subsidiary has, in the Warranted Period, released or written off, or agreed to release or write off, the whole or any part of any such loans or advances.

Groups of companies

18.14 Neither the Company nor any Subsidiary has, in the Warranted Period, been party to any arrangements pursuant to sections 59F-G of TMA 1970 (group payment arrangements).

Company residence and overseas interests

18.15 The Company and the Subsidiaries have, throughout the Warranted Period, been resident in the UK for corporation tax purposes and have not, at any time in that period, been treated as resident in any other jurisdiction for the purposes of any double taxation arrangements.

18.16 Neither the Company nor any Subsidiary holds, or within the Warranted Period has held, shares in a company which is not resident in the UK, a material interest in an offshore fund, or a permanent establishment outside the UK.

Transfer pricing

18.17 All transactions and arrangements made by the Company or any Subsidiary in the Warranted Period have been made on arms length terms and the processes by which prices and terms have been arrived at have in each case been documented to the extent required by law. No notice, enquiry or adjustment has been made by any Tax Authority in connection with any such transactions or arrangements.

Anti-avoidance

18.18 So far as the Management Warrantors are aware, neither the Company nor any Subsidiary has been involved, during the Warranted Period, in any transaction or series of transactions the main purpose, or one of the main purposes of which was the avoidance of tax or any transaction that produced a tax loss with no corresponding commercial loss.

Inheritance tax

18.19 No asset owned by the Company or any Subsidiary, nor the Shares, is subject to any Inland Revenue charge as mentioned in sections 237 and 238 of IHTA 1984 or is liable to be subject to any sale, mortgage or charge by virtue of section 212(1) of IHTA 1984.

Value added tax

18.20 The Company and the Subsidiaries which are required to be registered under VATA are so registered for the purposes of VAT as members of the same group of companies for the purposes of section 43 VATA 1994 with quarterly prescribed accounting periods.

18.21 All supplies made by the Company or any Subsidiary are taxable supplies. Neither the Company nor any Subsidiary has been, in the Warranted Period, denied full credit for all input tax paid or suffered by it.

Stamp duty, stamp duty land tax and stamp duty reserve tax

18.22 Any document that may be necessary in proving the title of the Company or any Subsidiary to any asset which is owned by the Company or any Subsidiary at Completion, and which is required to have been stamped for such purpose has been duly stamped for stamp duty purposes. No such documents which are outside the UK would attract stamp duty if they were brought into the UK.

18.23 So far as the Management Warrantors are aware, neither entering into this agreement nor Completion will result in the withdrawal of any stamp duty or stamp duty land tax relief granted on or before Completion which will affect the Company or any Subsidiary.

Construction industry sub-contractors' scheme

18.24 Neither the Company nor any Subsidiary is required by law to register as a Contractor under the provisions of section 59 of the Finance Act 2004.

19. Fundamental Warranties

19.1 The Shares (if any) set out in schedule 1 to the Share Purchase Agreement against his or its name are, as at the date of this Deed, and will at Completion be, legally and beneficially owned by him or it.

19.2 There is, as at the date of this Deed, and will at Completion be, no Encumbrance on, over or affecting any of the Shares (if any) owned by such Management Warrantor, and no person has, before the date of this Deed, claimed, or will, at Completion, be entitled to, any such Encumbrance.

19.3 It or he has the power, capacity and authority to execute and deliver this Deed and each of the other Transaction Documents to which it or he is or will be a party and to perform its or his obligations under each of them and has taken all action necessary to authorise such execution and delivery and the performance of such obligations.

19.4 This Deed constitutes legal, valid and binding obligations on it or him in accordance with its terms. Each of the other Transaction Documents to which it or he is or will be a party will, when executed, constitute legal, valid and binding obligations on it or him in accordance with its terms.

19.5 The entry by it or him into this Deed and, as applicable, into each of the other Transaction Documents to which it or he is or will be a party and the performance by it or him of its or his obligations under this Deed and each other Transaction Document does not and will not:

(a) conflict with or constitute a default under any provision of:

(i) any agreement or instrument to which it, he or any person connected with it or him is a party; or

(ii) the constitutional documents of it or any person connected with it or him; or

(iii) any law, lien, lease, order, judgment, award, injunction, decree, ordinance or regulation or any other restriction of any kind or character by which it, he or any person connected with it or him is bound; or

(b) result in the creation or imposition of any Encumbrance on any of the Shares owned by it or him.

SCHEDULE 4

LIMITATIONS ON CLAIMS

1. Acknowledgement

The Purchaser:

(c) admits and acknowledges that it has not entered into this Deed in reliance upon any warranties, representations, covenants, undertakings, indemnities or other statements whatsoever other than those expressly set out in this Deed and the Share Purchase Agreement, and the Purchaser acknowledges that the Management Warrantors have not given any other such warranties, representations, covenants, undertakings, indemnities, or other statements and that no claim for any such matters may be brought against the Management Warrantors or any of them;

(d) agrees that (save for any WW Moor AS Tax Claim and save as expressly stated in Clause 3.9 of this Deed) damages payable by any Management Warrantor in respect of a Claim shall be calculated on a contractual basis and calculation of damages on a tortious or any other basis is hereby excluded; and

(e) agrees that (save as expressly stated otherwise (including, without limitation, any WW Moor AS Tax Claim and as stated in Clause 3.9 of this Deed)) the remedies or relief to which the Purchaser is entitled in respect of any Claim shall only be damages for breach of contract and/or an injunction against continuing or anticipated breach, and those for any tortious act of any Management Warrantor, including misrepresentation, negligence, other breach of duty or on any other basis, are hereby excluded.

2. Initial notice and conduct of Claims

If the Purchaser becomes aware of a fact, matter or circumstance which may give rise to a Claim (excluding any WW Moor AS Tax Claim or Tax Warranty Claim):

(j) the Purchaser shall give notice to the Management Warrantors specifying that fact, matter or circumstance in reasonable detail (including the Purchaser's estimate, on a without prejudice basis, of the amount of such claim) as soon as reasonably practicable after it becomes aware of such fact, matter or circumstance;

(k) the Purchaser shall (or shall procure that the Company or any other Group Company concerned shall) provide to the Management Warrantors and their advisers reasonable access to premises and personnel and to relevant assets, documents and records within the Group Companies;

(l) the relevant person or persons may take copies of the documents or records, and photograph the premises or assets, referred to in paragraph 2(b) of this schedule at its expense; and

(m) where the fact, matter or circumstances which may give rise to such claim is, or may involve, a claim or potential claim by a third party against the Purchaser or any Group Company (a **Third Party Claim**), then the Management Warrantors, upon written indemnification of the Purchaser's Group in respect of all costs and expenses arising as a result of such conduct, shall have conduct of such claim and the Purchaser shall (and shall procure that the Group Company concerned shall) take all such action and give all such information and assistance in connection with the affairs of the Purchaser or the Group Company concerned as the Management Warrantors may reasonably request in writing to negotiate, avoid, dispute, resist, mitigate, compromise, defend or appeal against that Third Party Claim. PROVIDED THAT nothing in this paragraph 2(d) shall require the Purchaser or any other member of the Purchaser's Group to take or refrain from taking any action which it reasonably considers would materially and adversely affect the goodwill or bona fide commercial interests of the Purchaser's Group.

3. Time limit for notice

3.5 The Management Warrantors shall not be liable in respect of any Commercial Warranty Claim or Tax Warranty Claim unless written notice of it is given by the Purchaser:

(a) in the case of a Commercial Warranty Claim, to the Management Warrantors by no later than 31 December 2014 and in accordance with paragraph 2 of this Schedule; and

(b) in the case of a Tax Warranty Claim, to the Management Warrantors by no later than the fourth anniversary of the Completion Date.

3.6 WW Moor AS shall not be liable in respect of any WW Moor AS Tax Claim unless written notice of it is given by the Purchaser to WW Moor AS by no later than 1 January 2024.

3.7 William John Bayliss shall not be liable in respect of any Bayliss Warranty Claim unless written notice of it is given by the Purchaser to William John Bayliss by no later than the second anniversary of the Completion Date.

4. Time limit for commencing a Commercial Warranty Claim

The liability of the Management Warrantors in respect of any Commercial Warranty Claim shall terminate unless legal proceedings in connection with such claim are commenced within six months after the date on which the Purchaser gives notice of that claim in accordance with paragraph 3 of this Schedule.

5. Financial limits

(n) No amount shall be payable by any Management Warrantor in respect of any Commercial Warranty Claim unless:

(i) the amount of the aggregate cumulative liability of the Management Warrantors in respect of such Commercial Warranty Claim exceeds £15,000 (such Commercial Warranty Claim being an **Eligible Commercial Warranty Claim**); and

(ii) the aggregate cumulative liability of the Management Warrantors in respect of all Eligible Commercial Warranty Claims exceeds £150,000 (in which event the Management Warrantors shall be liable for the whole of such liability and not merely for the excess).

(o) No amount shall be payable by any Management Warrantor in respect of any Tax Warranty Claim unless the amount of the aggregate cumulative liability of the Management Warrantors in respect of such Tax Warranty Claim exceeds £15,000.

(p) The maximum aggregate liability of a Management Warrantor in respect of all Commercial Warranty Claims and Tax Warranty Claims (and, in the case of William John Bayliss, Bayliss Warranty Claims) shall be limited to the amount stated opposite his or its name below:

(i) William John Bayliss £268,000, less the amount of any Bayliss Deduction;

(ii) WW Moor AS £203,000;

(iii) James Gaskell £116,000;

(iv) Adrian Bannister £49,000;

(v) Anthony Alexander £24,000;

(vi) Christopher Chapman £26,000;

(vii) Christopher Forde £48,000; and

(viii) Michael Main £16,000.

(q) The maximum aggregate liability of a Management Warrantor in respect of all Fundamental Warranty Claims and Share Purchase Agreement Title Claims shall be limited to 100% of the Consideration which is actually received by him or it. The

maximum aggregate liability of WW Moor AS in respect of all WW Moor AS Tax Claims shall be limited to £200,000.

(r) Paragraphs 5(c) and (d) above are not to be aggregated. Notwithstanding the provisions of those paragraphs, the maximum aggregate liability of a Management Warrantor in respect of all Claims shall not in any circumstances exceed 100% of the Consideration which is actually received by him or it.

(s) The liability of a Management Warrantor in respect of a Commercial Warranty Claim or a Tax Warranty Claim shall be limited to that Management Warrantor's proportion of the amount of that Commercial Warranty Claim or Tax Warranty Claim. In this paragraph, the Management Warrantors' respective proportions of any Commercial Warranty Claim or Tax Warranty Claim shall be the respective amounts set out opposite their names below:

(ii) William John Bayliss 35.7%;

(iii) WW Moor AS 27.1%;

(iv) James Gaskell 15.4%;

(v) Adrian Bannister 6.5%;

(vi) Anthony Alexander 3.2%;

(vii) Christopher Chapman 3.5%;

(viii) Christopher Forde 6.4%; and

(ix) Michael Main 2.2%.

6. Limitations

6.4 No Commercial Warranty Claim shall be admissible and the Management Warrantors shall not be liable in respect of any Commercial Warranty Claim:

(a) to the extent that such claim has been or is made good or is otherwise compensated for to the Purchaser (otherwise than by the Purchaser), less any cost to the Purchaser in obtaining such compensation;

(b) notwithstanding the provisions of paragraph 9 (*Claims against third parties and recovery*), to the extent that the matter to which it relates is actually recovered by the Purchaser or any member of the Purchaser's Group from insurers;

(c) to the extent that specific provision has been made in respect of the matter giving rise to such claim in the Accounts, the Management Accounts or in the Final Completion Statement (as defined in, and which is agreed, deemed agreed or determined in accordance with, the Share Purchase Agreement);

(d) to the extent such claim arises from or is increased as a result of any legislation or other binding regulatory provision not in force at Completion which takes retrospective effect; or

(e) to the extent that such liability occurs, arises or is increased as a result of, or is otherwise attributable to, any voluntary or discretionary act, transaction or omission of (i) the Purchaser or any other member of the Purchaser's Group or their respective directors, employees or agents or (ii) any Group Company (to the extent directed by the Purchaser or any other member of the Purchaser's Group or their respective directors, employees or agents), in each case on or after Completion.

7. Payment of damages

Any payment made by a Management Warrantor in respect of a Claim shall, to the maximum extent possible, be deemed to be a reduction in the Consideration.

8. Mitigation

The Purchaser shall take all reasonable steps to mitigate any loss or damage which it may suffer as a consequence of any fact, matter or circumstance which may give rise to a Claim (excluding a WW Moor AS Tax Claim and a claim under or in respect of the Tax Warranties which are contained in paragraphs 18.1, 18.2, 18.5, 18.8 and 18.18 of Schedule 5).

9. Claims against third parties and recovery

Where any member of the Purchaser's Group or any Group Company is entitled to recover from any person any amount in respect of any fact, matter or circumstance which is likely to give rise to a Commercial Warranty Claim, the Purchaser shall, or shall procure that the relevant other member of the Purchaser's Group or Group Company shall, use all reasonable endeavours to recover that amount. The Purchaser shall keep the Management Warrantors informed of the conduct of such recovery. Any amount so recovered by the Purchaser or any other member of the Purchaser's Group or Group Company (less any reasonable out of pocket expenses incurred in recovering the amount) will reduce the amount of the Commercial Warranty Claim by an equivalent amount. If recovery is delayed until after the Commercial Warranty Claim has been satisfied by any Management Warrantor(s), the Purchaser shall repay to the relevant Management Warrantor(s) the amount so recovered from the third party (less any reasonable out of pocket expenses incurred in recovering the amount) within ten Business Days of receipt of such amount. If the amount recovered by the Purchaser, other member of the Purchaser's Group or Group Company exceeds the amount satisfied by the relevant Management Warrantor(s), the Purchaser shall be entitled to retain the excess.

10. No double recovery

The Purchaser shall not be entitled to recover damages or otherwise obtain payment, reimbursement or restitution more than once in respect of the same loss, liability, cost, expense or damage.

11. Contingent liabilities

The time limits in paragraph 3 above shall not limit any Commercial Warranty Claim or Tax Warranty Claim in respect of a liability which is contingent or unascertained where written notice of such claim is given to the Management Warrantors before the expiry of the relevant periods specified. No Management Warrantor shall have any liability in respect of such a claim until the contingent liability becomes an actual liability or becomes capable of being quantified and provided that legal proceedings are commenced in respect of such claim within six months of the date on which the contingent liability becomes an actual liability or the liability is otherwise capable of being quantified.

12. Purchaser's knowledge

12.6 The Management Warrantors will not be liable for any Commercial Warranty Claim to the extent that such claim arises directly out of or in connection with any fact, matter or circumstance which:

(a) is within the actual knowledge of Ted Wozniak as at the date of this Deed;

(b) to the extent that such fact, matter or circumstance concerns a financial matter, is within the actual knowledge of Tim Kolbeck as at the date of this Deed;

(c) to the extent that such fact, matter or circumstance concerns a health, safety, security or environmental matter, is within the actual knowledge of Tim Puylart as at the date of this Deed; or

(d) to the extent that such fact, matter or circumstance concerns a human resources or employment matter, is within the actual knowledge of Brad Davison or Sheri Grissom as at the date of this Deed.

13. Set-off

13.1 The Purchaser waives any and all rights of set-off, counterclaim, deduction or retention against or in respect of any payment obligation which it has in favour of any Management Warrantor, save that the Purchaser may set-off:

(a) in respect of a Determined Claim, the Determined Liability; and/or

(b) in respect of an Undetermined Claim, the Opined Liability,

of a Management Warrantor against a payment obligation of the Purchaser under the Bonus Agreement entered into by that Management Warrantor (that Management Warrantor being the **Set-off Management Warrantor** and that payment obligation of the Purchaser being the **Purchaser Bonus Obligation**).

13.2 In paragraph 13.1:

(d) **Determined Claim** means a Claim by the Purchaser against the Set-off Management Warrantor which is validly notified in writing to that Set-off Management Warrantor pursuant to paragraph 3 of this Schedule before the date on which the Purchaser Bonus Obligation is otherwise required to be satisfied and which is either:

(i) agreed by the Set-off Management Warrantor and the Purchaser in writing (including agreement on the quantum of such Claim); or

(ii) adjudged final by any judgment or settlement order, that judgment or order being incapable of appeal or the Set-off Management Warrantor having elected in writing not to appeal, or any time period for appeal having expired without the relevant right of appeal having been validly exercised,

and, in each case, the **Determined Liability** of the Set-off Management Warrantor in respect of that Claim shall be the amount payable as agreed by the Set-off Management Warrantor and the Purchaser or as determined by the judgment or settlement order (as the case may be); and

(e) **Undetermined Claim** means a Claim by the Purchaser against the Set-off Management Warrantor which is validly notified in writing to that Set-off Management Warrantor pursuant to paragraph 3 of this Schedule before the date on which the Purchaser Bonus Obligation is otherwise required to be satisfied and:

(iii) which is not a Determined Claim; and

(ii) in respect of which a barrister of at least 7 years' call and having experience in the area of law relevant to that Claim and being appointed (at the cost and expense as such barrister may direct having regard to the respective conduct of the parties) either by agreement between the Set-off Management Warrantor and the Purchaser or, failing agreement within two Business Days after request for agreement by the Purchaser, on the application of the Purchaser to the chairman for the time being of the Bar Council of England and Wales (or its successor body), has given a written opinion addressed to the Purchaser and the Set-off Management Warrantor confirming (A) that, in the opinion of such barrister, the Purchaser has, on the balance of probabilities, reasonable prospects of succeeding with that Claim in a court of law in England and (B) the barrister's estimate of the amount which, on the balance of probabilities, the Purchaser has reasonable prospects of recovering in a court of law in England in respect of that Claim (such amount being the **Opined Liability**).

SCHEDULE 5

TAX

1 Interpretation

1.1 In this schedule (unless the context otherwise requires):

Accounts Relief means:

(a) any Relief (including the right to a repayment of Tax) that has been shown as an asset in the Management Accounts or Final Completion Statement; and

(b) any Relief that has been taken into account in computing (and so reducing or eliminating) any provision for deferred Tax in the Management Accounts or Final Completion Statement

Demand means any assessment, notice, letter, demand or other document issued or action taken by or on behalf of any Tax Authority or any form of return, computation, account, other document or self-assessment required by law from which it appears that a Group Company is subject to, or is sought to be made subject to, or will or might become subject to, any Taxation liability (including but not limited to the imposition or withholding of or on account of any Taxation or any amount in the nature of Taxation)

Dispute means any dispute, appeal, negotiation or other proceeding in connection with a Demand

Purchaser's Relief means:

(a) any Accounts Relief

(b) any Relief which arises as a result of any event occurring after Completion and

(c) any Relief, whenever arising, of the Purchaser or any member of the Purchaser's Tax Group other than the Company

Purchaser's Tax Group means the Purchaser and any other company or companies which are from time-to-time treated as members of the same group as, or otherwise connected or associated in any way with, the Purchaser for any Tax purpose

Relief means any loss, allowance, exemption, setoff, deduction, credit other relief from or relating to any Taxation or to the computation of income, profits or gains for the purpose of any Taxation and any right to a repayment of Taxation

Sellers' Relief means any Relief other than a Purchaser's Relief

2 Limitations

2.1 The Management Warrantors shall not be liable for breach of any Tax Warranty in respect of any liability in respect of Taxation to the extent that:

(a) specific provision or reserve (other than a provision for deferred tax) is made for such liability in the Management Accounts or Final Completion Statement; or

(b) such liability was discharged on or before Completion and such discharge was taken into account in the preparation of the Management Accounts or Final Completion Statement; or

(c) any Relief that is not a Purchaser's Relief is available (or is made available at no cost to the relevant Group Company) to the relevant Group Company to reduce or eliminate the Taxation liability; or

(d) such liability would not have arisen but for a voluntary transaction, action or omission carried out or effected by any member of the Purchaser's Group or a Group Company at any time after Completion where the Purchaser was aware or ought reasonably to have been aware would give rise to such liability except that this exclusion shall not apply where such transaction, action or omission:

(i) is required by any legislation or other statutory requirement (whether coming into force before, on or after Completion) or for the purpose of avoiding or mitigating a penalty imposable by any such legislation; or

(ii) is carried out or effected pursuant to a legally binding obligation of the relevant Group Company entered into on or before Completion; or

(iii) is carried out at the written request of the Management Warrantors; or

(iv) is carried out in the ordinary course of business of the relevant Group Company; or

(e) such liability arises or is increased as a result of:

(i) any change in the rates of Taxation; or

(ii) any change in legislation, regulation or directive; or

(iii) any change in the published practice of general application of, or published concession of general application operated by, any Tax Authority;

(iv) any change in the interpretation of any law, based on case law;

in each case announced and taking effect after Completion; or

(f) such liability arises as a result of a change to the date to which a Group Company makes up its accounts or a Group Company changing any of its accounting policies or practices, in either case, after Completion, but excluding any change required to comply with any law or generally accepted accounting practices or principles applicable to the relevant Group Company; or

(g) such liability arises as a result of or would not have arisen but for the earning, receipt or accrual of any income, profit or gain prior to Completion which is not recognised (but should properly have been recognised) in the Management Accounts or Final Completion Statement (and is not otherwise reflected in the price paid by the Purchaser for the Shares); or

(h) the Purchaser has recovered damages or any other amount under this Deed, the Share Purchase Agreement (whether for breach of Warranty or otherwise) or otherwise in respect of the same liability or to the extent the Purchaser or a Group Company has

otherwise obtained reimbursement or restitution from any of the Sellers in respect of the same liability; or

(i) such liability is a liability for Tax arising in relation to:

(i) any Exit Bonus paid to an Exit Bonus Payee pursuant to the terms of the relevant Exit Bonus Letter; or

(ii) the bonuses to be paid to Adrian Bannister and James Gaskell pursuant to the Adrian Bannister Exit Bonus Letter or, as the case may be, the James Gaskell Exit Bonus Letter; or

(j) such liability is a liability arising in respect of or as a result of the matters relating to monies lent by certain Group Companies incorporated in Norway to certain Group Companies incorporated in the UK referred to in the disclosure against Tax Warranty 18.2; or

(k) such liability is actually recovered by any member of the Purchaser's Group or any Group Company from insurers.

3 Conduct of claims

3.1 If the Purchaser or a Group Company (or any of their officers or employees) become aware of any Demand which will or is likely to give rise to a liability of the Management Warrantors in respect of the Tax Warranties the Purchaser shall give written notice thereof to the Management Warrantors. The Purchaser shall give such notice to the Management Warrantors on a timely basis (having regard to any applicable time limit for appealing against or responding to the Demand) provided that where a statutory time limit is applicable for responding to or appealing against the Demand, the Purchaser shall give written notice of the Demand to the Management Warrantors no later than the tenth Business Day prior to the expiry of the said time limit, to the extent reasonably practicable.

3.2 If the Management Warrantors become aware of a Demand (other than by notice given by the Purchaser), they shall notify the Purchaser in writing as soon as reasonably practicable, and, on receipt of such notice, the Purchaser shall be deemed to have given the Management Warrantors notice of the Demand in accordance with the provisions of paragraph 3.1.

3.3 The Purchaser shall procure that the relevant Group Company shall take such action which the Management Warrantors may (by written notice given to the Purchaser) reasonably request to dispute, resist, appeal against, compromise, defend a Demand (any such action being **an Action**), provided always that:

(a) in each case, the Purchaser and the relevant Group Company shall first be indemnified to the Purchaser's reasonable satisfaction by the Management Warrantors against all liabilities, costs, damages or expenses (including any additional liability in respect of

Taxation and any third party costs and expenses) which may be incurred by the Purchaser or the relevant Group Company in taking the Action;

(b) the Purchaser and the relevant Group Company shall not be obliged to comply with any request of the Management Warrantors which involves appealing, or otherwise taking any action in respect of, any Demand beyond the first appellate body (excluding the Tax Authority which has made the Demand in question, the statutory pre-tribunal review and the Tax Chamber of the First-tier Tribunal) unless the Management Warrantors (at their sole cost and expense) furnish the Purchaser with the written opinion of Tax Counsel of at least ten years' call who is experienced in the subject matter of the Demand to the effect that there is a reasonable prospect that the appeal in respect of the matter in question will succeed;

(c) the Purchaser shall not be obliged to take any Action in relation to a Demand where any Tax Authority alleges in writing (which allegation is not withdrawn) fraudulent conduct or conduct involving dishonesty has been committed by the Management Warrantors or, prior to Completion, the relevant Group Company in relation to such Demand.

3.4 If:

(a) within 15 Business Days of having given written notice to the Management Warrantors of a Demand, the Purchaser does not receive from the Management Warrantors written instructions to take any Action in relation to the Demand; or

(b) the Management Warrantors fail to indemnify the Purchaser or the relevant Group Company to the Purchaser's reasonable satisfaction within a period of time (commencing with the date of the notice given to the Management Warrantors) that is reasonable having regard to the nature of the Demand and the existence of any time limit in relation to disputing, resisting, appealing against, compromising, or defending such Demand, and which period will not in any event exceed a period of 15 Business Days; or

(c) any Tax Authority alleges in writing that fraudulent conduct or conduct involving dishonesty has been committed by the Management Warrantors or, prior to Completion, the relevant Group Company in relation to such Demand, and such allegation is not withdrawn after the Management Warrantors have had a reasonable opportunity to challenge it; or

(d) at any time after the Management Warrantors have given to the Buyer written notice pursuant to paragraph 4.3 requesting any Action to be taken:

(i) that Action has been taken or the Purchaser or Group Company is not obliged to take that Action by virtue of the provisions of paragraph 3.3(b), but the Demand (and Taxation liability which is the subject of the Demand) remain outstanding;

(ii) the Purchaser has given written notice to the Management Warrantors notifying them that paragraph 3.4(d)(i) applies; and

(iii) the Management Warrantors fail to reasonably request further Action within a period of 15 Business Days following the notification referred to in paragraph 3.4(d)(ii)

then the Purchaser or the relevant Group Company shall have the conduct of the Dispute absolutely (without prejudice to its rights under this Agreement) and shall be free to pay or settle the Demand on such terms as the Purchaser or the relevant Group Company may in its absolute discretion (but acting in good faith) consider fit.

3.5 Subject to compliance by the Management Warrantors with paragraph 3.2 and where the Management Warrantors request that the Purchaser take, or procure that the relevant Group Company takes, any Action referred to in paragraph 3.2, the Purchaser undertakes to the Management Warrantors to:

(a) keep the Management Warrantors reasonably informed of all matters relating to the Action and deliver to the Management Warrantors copies of all material correspondence relating to the Action;

(b) obtain the prior written approval of the Management Warrantors (not to be unreasonably withheld or unreasonably delayed) to the content and sending of written communications relating to the Action to a Tax Authority; and

(c) obtain the prior written approval of the Management Warrantors (not to be unreasonably withheld or unreasonably delayed) to:

(iv) the settlement or compromise of the Demand which is the subject of the Action; and

(v) the agreement of any matter in the conduct of the Action which is likely to affect the amount of the Demand.

4 Windfall Reliefs

4.1 If, on or before 31 January 2016, the Management Warrantors request (by written notice to the Purchaser) that the Purchaser require the auditors for the time being of the relevant Group Company (the Auditors) to determine (at the sole expense of the Management Warrantors) as experts and not as arbitrators that:

(a) any Taxation liability (or the event giving rise to the Taxation liability) which has resulted in any sum having been paid by the Management Warrantors in respect of the Tax Warranties has given rise to a Relief (not including an Accounts Relief) which would not otherwise have arisen and a liability of a Group Company make an actual payment Taxation has been eliminated, or a repayment of Tax has been obtained, by the use of

that Relief, and if the Auditors so determine, the amount by which that liability has been eliminated or the amount of the repayment of Tax (after deduction of any liability for Tax arising as a result of such repayment) (as the case may be), shall be dealt with in accordance with paragraph 4.2; or

(b) any Taxation liability which arises or would otherwise have arisen (other than one which would otherwise have given rise to a corresponding liability of the Management Warrantors in respect of the Tax Warranties) is eliminated or reduced or any repayment of an amount of Taxation is obtained in either case by the use of a Sellers' Relief, and, if the Auditors so determine, the amount of Taxation so saved or the amount of that repayment (as the case may be) shall be dealt with in accordance with paragraph 4.2.

4.2 Where it is provided under paragraph 4.1 that any amount is to be dealt with in accordance with this paragraph 4.2:

(d) the amount shall first be set off against any payment then due from the Management Warrantors in respect of the Tax Warranties;

(e) to the extent there is an excess, a refund (net of any reasonable costs and expenses incurred by the Purchaser) shall be made to the Management Warrantors of any previous payment made by the Management Warrantors in respect of the Tax Warranties and not previously refunded under this paragraph 5, up to the amount of such excess; and

(f) to the extent that the excess referred to in paragraph 4.2(b) is not exhausted thereunder, the remainder of that excess shall be carried forward and set off against any future payment which becomes due from the Management Warrantors in respect of the Tax Warranties.

4.3 The Purchaser shall notify the Management Warrantors in writing within 10 Business Days of it or a Group Company receiving a determination of the Auditors as referred to in paragraph 4.1.

5 Tax computations

5.1 Subject to this paragraph 5, the Purchaser will have exclusive conduct of all Taxation affairs of the Company and any Group Company after Completion.

5.2 The Purchaser covenants with the Management Warrantors:

(e) to keep the Management Warrantors and their duly authorised agents reasonably informed of all material matters relating to the Taxation affairs in respect of any accounting period ended on or before Completion for which final agreement with the relevant Tax Authority of the amount of Taxation due from the relevant Group Company has not been reached;

(f) that no written communications shall be transmitted to any Tax Authority in respect of the matters mentioned in paragraph 5.2(a) above without first being submitted to the

Management Warrantors as soon as reasonably practicable (and in any event, where reasonably practicable, no later than 10 Business Days prior to the expiry of any applicable time limit) for their reasonable comment, authorisation and written approval and shall only finally be submitted or transmitted to the relevant Tax Authority on the receipt of the written approval of the Management Warrantors (such approval not to be unreasonably withheld or unreasonably delayed).

5.3 The Management Warrantors shall be under no obligation to procure the signing and/or authorisation of any document delivered to them under this paragraph which they reasonably consider, to be false, misleading, incomplete or inaccurate in any respect.

5.4 In respect of the accounting periods of each Group Company commencing prior to Completion and ending after Completion (**Straddle Period**) the Purchaser shall procure that the corporation tax returns of each Group Company shall be prepared on the basis which is consistent with the manner in which corporation tax returns of the relevant Group Company are or have been prepared for all accounting periods ended prior to Completion.

5.5 The Purchaser shall procure that each Group Company keeps the Management Warrantors reasonably informed of the Taxation affairs of the relevant Group Company in respect of the Straddle Period (to the extent that they are relevant to the pre-Completion period) and shall provide the Management Warrantors with copies of all relevant documents and shall not submit any correspondence to, or agree any return or computation for such period with, any Tax Authority without giving the Management Warrantors a reasonable opportunity to make reasonable representations thereon and without the written consent of the Management Warrantors (such consent not to be unreasonably withheld or unreasonably delayed).

5.6 The Purchaser shall procure that the relevant Group Company provides the Management Warrantors with such documents and information (including, without limitation, access to books, accounts. personnel and records), as the Management Warrantors may reasonably require in writing, in connection with their rights pursuant to this paragraph 5.

5.7 The Management Warrantors shall provide the Purchaser or the relevant Group Company with such documents and information relating to the Taxation affairs of the Company in the pre-Completion period (including, without limitation, access to books, accounts. personnel and records) as the Management Warrantors have in their possession or control and as the Purchaser or the relevant Group Company may reasonably require in writing, in connection with their rights pursuant to this paragraph 5

5.8 The provisions of paragraph 3 shall apply in priority to the provisions of this paragraph 5.

5.9 The provisions of this paragraph 5 shall not prejudice the rights of the Purchaser to make a claim under this Agreement in respect of any liability for Taxation.

6 Rebates

Where any member of the Purchaser's Group or any Group Company is entitled to recover an actual monetary amount from any person (other than another Group Company or member of the Purchaser's Group) in respect of any fact, matter or circumstance which is likely to give rise to a Tax Warranty Claim, the Purchaser shall, or shall procure that the relevant other member of the Purchaser's Group or Group Company shall, use all reasonable endeavours to recover that amount. The Purchaser shall keep the Management Warrantors informed of the conduct of such recovery. Any such actual monetary amount so recovered by the Purchaser or any other member of the Purchaser's Group or Group Company (less any reasonable out of pocket expenses incurred in recovering the amount) will reduce the amount of the Tax Warranty Claim by an equivalent amount. If such recovery is delayed until after the Tax Warranty Claim has been satisfied by any Management Warrantor(s), the Purchaser shall repay to the relevant Management Warrantor(s) the amount so recovered from the third party (less any reasonable out of pocket expenses incurred in recovering the amount) within ten Business Days of receipt of such amount. If the amount recovered by the Purchaser, other member of the Purchaser's Group or Group Company exceeds the amount satisfied by the relevant Management Warrantor(s), the Purchaser shall be entitled to retain the excess.

SCHEDULE 6

INTELLECTUAL PROPERTY

Trade marks

Trade mark number	Type	Classes	Trademark text	Status	Applicant
2622688	National	06, 22,035, 37, 39 & 42	Viking SeaTech	Registered	Venice Topco Limited
2415017	National	37 & 42	Viking Moorings Total Mooring Solutions	Registered	Viking Moorings Limited
201004388	National	35, 37, 39 & 42	LET'S CONNECT	Registered	Viking Moorings Norge AS
200803304	National	37 & 42	Viking Moorings	Registered	Viking Moorings Norge AS

Patents

Application number	Patent details	Applicant
20100175	Method and device for docking maritime ships	Viking Moorings AS
20101589	Improved device and method for anchoring	Viking Moorings AS
WO2011NO00042	Improved device and method for forming an anchor spread	Viking Moorings AS
2011216605	Improved device and method for forming an anchor spread	Viking Seatech Norge AS

SCHEDULE 7

COVENANT BY WW MOOR AS

1 In this Schedule, the following terms have the respective meanings given in Schedule 5 (*Tax*): Accounts Relief, Demand, Dispute, Purchaser's Relief, Purchaser's Tax Group, Relief and Seller's Relief.

2 WW Moor AS shall pay to the Purchaser an amount equal to any payment of Taxation for which a Group Company is liable in connection with the WW Moor AS Share Purchase Agreement.

3 WW Moor AS shall not be liable under paragraph 2 of this Schedule for any liability in respect of Taxation to the extent that:

(g) any Relief that is not a Purchaser's Relief is available (or is made available at no cost to the relevant Group Company) to the relevant Group Company to reduce or eliminate the Taxation liability; or

(h) such liability would not have arisen but for a voluntary transaction, action or omission carried out or effected by any member of the Purchaser's Group or a Group Company at any time after Completion where the Purchaser was aware or ought reasonably to have been aware would give rise to such liability except that this exclusion shall not apply where such transaction, action or omission:

(i) is required by any legislation or other statutory requirement (whether coming into force before, on or after Completion) or for the purpose of avoiding or mitigating a penalty imposable by any such legislation; or

(ii) is carried out or effected pursuant to a legally binding obligation of the relevant Group Company entered into on or before Completion; or

(iii) is carried out at the written request of WW Moor AS or Wolfgang Wandl;
or

(iv) is carried out in the ordinary course of business of the relevant Group Company;
or

(i) such liability arises or is increased as a result of:

(i) any change in the rates of Taxation; or

(ii) any change in legislation, regulation or directive; or

(iii) any change in the published practice of general application of, or published concession of general application operated by, any Tax Authority;

(iv) any change in the interpretation of any law, based on case law;

in each case announced and taking effect after Completion; or

(j) such liability arises as a result of a change to the date to which a Group Company makes up its accounts or a Group Company changing any of its accounting policies or practices, in either case, after Completion, but excluding any change required to comply with any law or generally accepted accounting practices or principles applicable to the relevant Group Company; or

(k) the Purchaser has recovered damages or any other amount under this Deed, the Share Purchase Agreement (whether for breach of Warranty or otherwise) or otherwise in respect of the same liability or to the extent the Purchaser or a Group Company has otherwise obtained reimbursement or restitution from any of the Sellers in respect of the same liability; or

(l) such liability is actually recovered by any member of the Purchaser's Group or any Group Company from insurers.

4 The provisions of paragraphs 3 (*Conduct of Claims*), 4 (*Windfall Reliefs*) and 6 (*Rebates*) of Schedule 5 (*Tax*) shall apply to this Schedule, with any reference to:

- "the Management Warrantors" being read as a reference to "WW Moor AS";
- "the Tax Warranties" being read as a reference to "paragraph 2 of Schedule 7 (*Covenant by WW Moor AS*)";
- "Tax Warranty Claim" being read as a reference to "WW Moor AS Tax Claim"; and
- "31 January 2016" in paragraph 4.2 of Schedule 5 being read as a reference to "31 January 2024".

WW MOOR AS

By: /s/ James Gaskell
Title: Attorney (by power of attorney)

JAMES GASKELL

By: /s/ James Gaskell
Name: James Gaskell
Title: Senior management

WILLIAM JOHN BAYLISS

By: /s/ William John Bayliss
Name: William John Bayliss
Title: Senior Management

ADRIAN BANNISTER

By: /s/ William John Bayliss
Name: William John Bayliss
Title: Attorney (by power of attorney)

ANTHONY ALEXANDER

By: /s/ William John Bayliss
Name: William John Bayliss
Title: Attorney (by power of attorney)

CHRISTOPHER CHAPMAN

By: /s/ William John Bayliss
Name: William John Bayliss
Title: Attorney (by power of attorney)

CHRISTOPHER FORDE

By: /s/ William John Bayliss
Name: William John Bayliss
Title: Attorney (by power of attorney)

MICHAEL MAIN

By: /s/ William John Bayliss
Name: William John Bayliss
Title: Attorney (by power of attorney)

WOLFGANG WANDL

By: /s/ James Gaskell
Name: James Gaskell
Title: Attorney (by power of attorney)

ACTUANT ACQUISITIONS LIMITED

By: /s/ Theodore C. Wozniak
Name: Theodore C. Wozniak
Title: Attorney (by power of attorney)

Exhibit 3.2

AMENDED AND RESTATED BYLAWS

of

ACTUANT CORPORATION

ADOPTED

NOVEMBER 7, 1991

and

AS LAST AMENDED EFFECTIVE AUGUST 8, 2013

ARTICLE I

OFFICES; RECORDS; FISCAL YEAR

1.01 Principal and Business Offices. The corporation may have such principal and other business offices, either within or without the State of Wisconsin, as the Board of Directors may designate or as the business of the corporation may require from time to time.

1.02 Registered Office and Registered Agent. The registered office of the corporation required by the Wisconsin Business Corporation Law to be maintained in the State of Wisconsin may be, but need not be, identical with the principal office in the State of Wisconsin. The street address of the registered office may be changed from time to time by any officer or by the registered agent. The business office of the registered agent of the corporation shall be identical to the street office of such registered office.

1.03 Corporate Records. The following documents and records shall be kept at the corporation's principal office or at such other reasonable location as may be specified by the corporation:

(a) Minutes of shareholders' and Board of Directors' meetings, any written notices thereof and any written waivers of such notices.

(b) Records of actions taken by the shareholders or Board of Directors without a meeting.

(c) Records of actions taken by committees of the Board of Directors in place of the Board of Directors and on behalf of the Corporation.

(d) Accounting records.

(e) A record of its shareholders.

(f) Current Bylaws.

1.04 Fiscal Year. The fiscal year of the corporation shall commence on the first day of September and end on the last day of August.

ARTICLE II

SHAREHOLDERS

2.01 Annual Meeting. The annual meeting of the shareholders shall be held on the second Tuesday in January, or at such other time and date as may be fixed by or under the authority of the Board of Directors, for the purpose of electing directors and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting is a legal holiday in the State of Wisconsin, such meeting shall be held on the next succeeding business day. If the election of directors is not held on the day designated herein, or fixed as

herein provided, for any annual meeting of the shareholders, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a meeting of the shareholders as soon thereafter as may be convenient.

2.02 Special Meetings. Special meetings of the shareholders, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the Chairperson of the Board, if there is one, the President or the Board of Directors. If and as required by the Wisconsin Business Corporation Law, a special meeting shall be called upon written demand describing one or more purposes for which it is to be held by holders of shares with at least 10% of the votes entitled to be cast on any issue proposed to be considered at the meeting. The purpose or purposes of any special meeting shall be described in the notice required by Section 2.04 of these Bylaws.

2.03 Place of Meeting. The Board of Directors may designate any place, either within or without the State of Wisconsin, as the place of meeting for any annual meeting or any special meeting. If no designation is made, the place of meeting shall be the principal office of the corporation but any meeting may be adjourned to reconvene at any place designated by vote of a majority of the shares represented thereat.

2.04 Notice of Shareholder Nomination(s) and/or Proposal(s).

(a) Annual Meetings of Shareholders.

(1) Except with respect to nomination(s) or proposal(s) adopted or recommended by the Board of Directors for inclusion in the corporation's proxy statement for its annual meeting, a shareholder entitled to vote at a meeting may nominate a person or persons for election as director(s) or propose action(s) to be taken at a meeting only if written notice of any shareholder nomination(s) and/or proposal(s) to be considered for a vote at an annual meeting is given in accordance with this Section 2.04. To be timely, a shareholder's notice shall be delivered to the Secretary at the principal executive offices of the corporation no later than the close of business on the 120th day nor earlier than the close of business on the 150th day prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is more than 30 days before or more than 60 days after such anniversary date, notice by the shareholder to be timely must be so delivered not earlier than the close of business on the 150th day prior to such annual meeting and not later than the close of business on the later of the 120th day prior to such annual meeting or the 10th day following the day on which public announcement of the date of such meeting is first made. In no event shall the public announcement of an adjournment of an annual meeting commence a new time period for the giving of a shareholder's notice as described above.

(2) With respect to shareholder nomination(s) for the election of directors each such notice shall set forth: (i) the name and address of the shareholder who intends to make the nomination(s), of any beneficial owner of

shares on whose behalf such nomination is being made and of the person or persons to be nominated; (ii) a representation that the shareholder is a holder of record of stock of the corporation entitled to vote at such meeting (including the number of shares the shareholder owns as of the record date (or as of the most recent practicable date if no record date has been set) and the length of time the shares have been held) and intends to appear in person or by attorney in fact at the meeting to nominate the person or persons specified in the notice; (iii) a description of all arrangements and understandings between the shareholder or any beneficial holder on whose behalf it holds such shares, and their respective affiliates, and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the shareholder; (iv) such other information regarding each nominee proposed by such shareholder as would have been required to be included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission (whether or not such rules are applicable) had each nominee been nominated, or intended to be nominated, by the Board of Directors; (v) the consent of each nominee to serve as a director of the corporation if so elected; and (vi) the Share Information with respect to the shareholder. The corporation may require any proposed nominee to furnish such other information as may reasonably be requested by the corporation to determine the eligibility of such proposed nominee to serve as an independent director of the corporation.

(3) With respect to shareholder proposal(s) for action(s) to be taken at an annual meeting of shareholders, the notice shall clearly set forth: (i) the name and address of the shareholder who intends to make the proposal(s); (ii) a representation that the shareholder is a holder of record of the stock of the corporation entitled to vote at the meeting (including the number of shares the shareholder owns as of the record date (or as of the most recent practicable date if no record date has been set) and the length of time the shares have been held) and intends to appear in person or by proxy to make the proposal(s) specified in the notice; (iii) the proposal(s) and a brief supporting statement of such proposal(s); (iv) a statement that the shareholder (or the shareholder's legal representative) will attend the meeting and present the proposal; (v) such other information regarding the proposal(s) as would have been required to be included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission (whether or not such rules are applicable); and (vi) the Share Information with respect to the shareholder. A shareholder may submit no more than two proposals for a particular meeting of shareholders.

(4) Notwithstanding anything in the second sentence of paragraph (a)(1) of this Section 2.04 to the contrary, in the event that the number of directors to be elected to the Board of Directors of the corporation is increased and there is no public announcement naming all the nominees for director or specifying the size of the increased Board of Directors made by the corporation at least 100 days prior to the first anniversary of the preceding year's annual meeting, a

shareholder's notice required by this bylaw shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal executive offices of the corporation not later than the close of business on the 10th day following the day on which such public announcement is first made by the corporation.

(5) For purposes of these bylaws, the term "Share Information" shall mean (i) the class or series and number of shares of the corporation that are owned, directly or indirectly, of record and/or beneficially by a shareholder, any beneficial owner on whose behalf the shareholder is acting and any of their respective affiliates (as defined below), (ii) any option, warrant, convertible security, stock appreciation right or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of the corporation or with a value derived in whole or in part from the value of any class or series of shares of the corporation, whether or not such instrument or right shall be subject to settlement in the underlying class or series of capital stock of the corporation or otherwise (a "Derivative Instrument") directly or indirectly owned beneficially by such shareholder, any such beneficial owner and any of their respective Affiliates, and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of the corporation, (iii) any proxy, agreement, arrangement, understanding, or relationship pursuant to which such shareholder has a right to vote any shares of any security of the corporation, (iv) any short interest in any security of the corporation (for purposes of these bylaws, a person shall be deemed to have a short interest in a security if such person directly or indirectly, through any agreement, arrangement, understanding, relationship or otherwise, including any repurchase or similar so-called "stock borrowing" agreement or arrangement, has the opportunity to profit or share in any profit derived from any decrease in the value of the subject security or to mitigate the loss to or reduce the economic risk of any class or series of shares of the corporation), (v) any rights to dividends on the shares of the corporation owned beneficially by such shareholder that are separated or separable from the underlying shares of the corporation, (vi) any proportionate interest in shares of the corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which such shareholder or beneficial owner is a general partner or, directly or indirectly, beneficially owns an interest in a general partner, (vii) any performance-related fees (other than asset-based fees) that such shareholder, any such beneficial owner or any of their respective Affiliates are entitled to based on any increase or decrease in the value of shares of the corporation or Derivative Instruments, if any, as of the date of such notice, including without limitation any such interests held by members of such person's immediate family sharing the same household, (viii) any significant equity interests or any Derivative Instruments or other interests in any principal competitor of the corporation held by such shareholder, any such beneficial owner and any of their respective Affiliates, and (ix) any direct or indirect interest of such shareholder, any such beneficial owner and any

of their respective Affiliates in any contract with the corporation, any Affiliate of the corporation or any principal competitor of the corporation (which information shall be supplemented by such stockholder, not later than ten (10) days after the record date for the meeting to disclose such ownership as of the record date). For purposes of these bylaws, the term, "Affiliate" shall mean any person that, directly or indirectly, is controlling, controlled by or is under common control with or is acting in concert with, such person.

(6) In addition, to be timely and in proper form, a shareholder's notice shall further be updated and supplemented, if necessary, so that the information provide or required to be provided in such notice shall be true and correct as of the record date for the meeting and as of the date that is ten (10) business days prior to the meeting or any adjournment or postponement thereof, and such update and supplement shall be delivered to the Secretary at the principal executive offices of the corporation not later than five (5) business days after the record date, and not later than eight (8) business days prior to the date for the meeting and any adjournment or postponement thereof.

(7) The procedures and other requirements set forth in this Section 2.04(a) shall be the exclusive means for a shareholder to make a director nomination or make a shareholder proposal (other than a proposal properly brought under Rule 14a-8 under the Securities Exchange Act and included in the corporation's proxy statement).

(b) Special Meetings of Shareholders.

(1) Except with respect to nomination(s) or proposal(s) adopted or recommended by the Board of Directors for inclusion in the notice to shareholders for a special meeting of shareholders, a shareholder entitled to vote a special meeting may nominate a person or persons for election as director(s) and/or propose action(s) to be taken at a meeting only if written notice of any shareholder nomination(s) and/or proposal(s) to be considered for a vote at a special meeting is delivered personally or mailed by Certified Mail-Return Receipt Requested to the Corporate Secretary of the corporation at the principal business office of the corporation so that it is received in a reasonable period of time (as determined by the Board) before such special meeting and only if such nomination or proposal is within the purposes described in the notice to shareholders of the special meeting.

(2) With respect to shareholder nomination(s) for the election of directors at a special meeting, a nominating shareholder shall comply with the notice requirements for notices of nominees pertaining to annual meetings under paragraph (a)(2) of this Section 2.04. With respect to shareholder proposal(s) for action(s) to be taken at a special meeting of shareholders, the notice shall clearly set forth: (i) the name and address of the shareholder who intends to make the proposal(s); (ii) a representation that the shareholder is a holder of record of the

stock of the corporation entitled to vote at the meeting (including the number of shares the shareholder owns as of the record date (or as of the most recent practicable date if no record date has been set) and the length of time the shares have been held) and intends to appear in person or by proxy to make the proposal(s) specified in the notice; (iii) the proposal(s) and a brief supporting statement of such proposal(s); (iv) a statement that the shareholder (or the shareholder's legal representative) will attend the meeting and present the proposal(s); (v) such other information regarding the proposal(s) as would have been required to be included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission (whether or not such rules are applicable) and (vi) the Share Information with respect to the shareholder.

(c) General.

(1) Only such persons who are nominated in accordance with the procedures set forth in this bylaw shall be eligible to serve as directors and only such business shall be conducted at a meeting of shareholders as shall have been brought before the meeting in accordance with the procedures set forth in this bylaw. Except as otherwise provided by law, the Articles of Incorporation or the Bylaws of the corporation, the Chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made, or proposed, as the case may be, in accordance with the procedures set forth in this bylaw and, if such proposed nomination or business is not in compliance with this bylaw, to declare that such defective proposal or nomination shall be disregarded.

(2) For purposes of this bylaw, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the corporation with the Securities and Exchange Commissions pursuant to Section 13, 14 or 15(d) of the Securities Exchange Act of 1934, as amended ("Exchange Act").

(3) Notwithstanding the foregoing provisions of this bylaw, a shareholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this bylaw. Nothing in this bylaw shall be deemed to affect any rights of (i) shareholders to request inclusion of proposals in the corporation's proxy statements pursuant to Rule 14a-8 under the Exchange Act or (ii) the holders of any series of Preferred Stock to elect directors under specified circumstances.

2.05 Fixing of Record Date. The Board of Directors may fix in advance a date as the record date for one or more voting classes for any determination of shareholders entitled to notice of a shareholders' meeting, to demand a special meeting, to vote, or to take any other action, such date in any case to be not more than seventy (70) days prior to the meeting or action requiring such determination of shareholders, and may fix the record date for

determining shareholders entitled to a share dividend or distribution. If no record date is fixed for the determination of shareholders entitled to demand a shareholder meeting, to notice of or to vote at a meeting of shareholders, or to consent to action without a meeting, (a) the close of business on the day before the corporation receives the first written demand for a shareholder meeting, (b) the close of business on the day before the first notice of the meeting is mailed or otherwise delivered to shareholders, or (c) the close of business on the day before the first written consent to shareholder action without a meeting is received by the corporation, as the case may be, shall be the record date for the determination of shareholders. If no record date is fixed for the determination of shareholders entitled to receive a share dividend or distribution (other than a distribution involving a purchase, redemption or other acquisition of the corporation's shares), the close of business on the day on which the resolution of the Board of Directors is adopted declaring the dividend or distribution shall be the record date. When a determination of shareholders entitled to vote at any meeting of shareholders has been made as provided in this section, such determination shall be applied to any adjournment thereof unless the Board of Directors fixes a new record date and except as otherwise required by law. A new record date must be set if a meeting is adjourned to a date more than 120 days after the date fixed for the original meeting.

2.06 Shareholder List. The officer or agent having charge of the stock transfer books for shares of the corporation shall, before each meeting of shareholders, make a complete record of the shareholders entitled to notice of such meeting, arranged by class or series of shares and showing the address of and the number of shares held by each shareholder. The shareholder list shall be available at the meeting and may be inspected by any shareholder or his or her agent or attorney at any time during the meeting or any adjournment. Any shareholder or his or her agent or attorney may inspect the shareholder list beginning two (2) business days after the notice of the meeting is given and continuing to the date of the meeting, at the corporation's principal office or at a place identified in the meeting notice in the city where the meeting will be held and, subject to Section 180.1602(2)(b) 3 to 5 of the Wisconsin Business Corporation Law, may copy the list, during regular business hours and at his or her expense, during the period that it is available for inspection hereunder. The original stock transfer books and nominee certificates on file with the corporation (if any) shall be prima facie evidence as to who are the shareholders entitled to inspect the shareholder list or to vote at any meeting of shareholders. Refusal or failure to comply with the requirements of this section shall not affect the validity of any action taken at such meeting.

2.07 Quorum and Voting Requirements. Except as otherwise provided in the Articles of Incorporation or in the Wisconsin Business Corporation Law, a majority of the votes entitled to be cast by shares entitled to vote as a separate voting class on a matter, represented in person or by proxy, shall constitute a quorum of that voting class for action on that matter at a meeting of shareholders. If a quorum exists, action on a matter, other than the election of directors, by a voting class is approved if the votes cast within the voting class favoring the action exceed the votes cast opposing the action unless a greater number of affirmative votes is required by the Wisconsin Business Corporation Law or the Articles of Incorporation. If the Articles of Incorporation or the Wisconsin Business Corporation Law provide for voting by two (2) or more voting classes on a matter, action on that matter is taken only when voted

upon by each of those voting classes counted separately. Action may be taken by one (1) voting class on a matter even though no action is taken by another voting class entitled to vote on the matter. Although less than a quorum exists at a meeting, a majority of the shares represented at the meeting may adjourn the meeting from time to time and, unless a new record date is or must be set for the meeting, the corporation is not required to give notice of the new date, time or place of the meeting if the new date, time or place is announced at the meeting before adjournment. Once a share is represented for any purpose at a meeting, other than for the purpose of objecting to holding the meeting or transacting business at the meeting, it is considered present for purposes of determining whether a quorum exists for the remainder of the meeting and for any adjournment of that meeting unless a new record date is or must be set for that meeting. The term "voting class" as used in these Bylaws shall have the same meaning as the term "voting group" under the Wisconsin Business Corporation Law.

2.08 Conduct of Meetings. The Chairperson of the Board, or if there is none, or in his or her absence, the President, and in the President's absence, a Vice President in the order provided under Section 4.06 of these Bylaws, and in their absence, any person chosen by the shareholders present shall call the meeting of the shareholders to order and shall act as chairperson of the meeting, and the Secretary shall act as secretary of all meetings of the shareholders, but, in the absence of the Secretary, the presiding officer may appoint any other person to act as secretary of the meeting.

2.09 Proxies. At all meetings of shareholders, a shareholder entitled to vote may vote in person or by proxy appointed in writing by the shareholder or by his or her duly authorized attorney-in-fact. All proxy appointment forms shall be filed with the Secretary or other officer or agent of the corporation authorized to tabulate votes before or at the time of the meeting. Unless the appointment form conspicuously states that it is irrevocable and the appointment is coupled with an interest, a proxy appointment may be revoked at any time. The presence of a shareholder who has filed a proxy appointment shall not of itself constitute a revocation. No proxy appointment shall be valid after eleven months from the date of its execution, unless otherwise expressly provided in the appointment form. The Board of Directors shall have the power and authority to make rules that are not inconsistent with the Wisconsin Business Corporation Law as to the validity and sufficiency of proxy appointments.

2.10 Voting of Shares. Each outstanding share shall be entitled to one (1) vote on each matter submitted to a vote at a meeting of shareholders, except to the extent that the voting rights of the shares are enlarged, limited or denied by the Articles of Incorporation or the Wisconsin Business Corporation Law. Shares owned directly or indirectly by another corporation are not entitled to vote if this corporation owns, directly or indirectly, sufficient shares to elect a majority of the directors of such other corporation. However, the prior sentence shall not limit the power of the corporation to vote any shares, including its own shares, held by it in a fiduciary capacity. Redeemable shares are not entitled to vote after notice of redemption is mailed to the holders and a sum sufficient to redeem the shares has been deposited with a bank, trust company, or other financial institution under an irrevocable obligation to pay the holders the redemption price on surrender of the shares.

ARTICLE III

BOARD OF DIRECTORS

3.01 General Powers and Number. All corporate powers shall be exercised by or under the authority of, and the business and affairs of the corporation shall be managed under the direction of, its Board of Directors. The number of directors of the corporation shall be ten (10). The number of directors may be increased or decreased from time to time by amendment to this Section adopted by the shareholders or the Board of Directors, but no decrease shall have the effect of shortening the term of an incumbent director.

3.02 Election, Removal, Tenure and Qualifications. Unless action is taken without a meeting under Section 7.01 of these Bylaws, directors shall be elected by a plurality of the votes cast by the shares of the voting class entitled to vote for such directors in the election at a shareholders meeting at which a quorum is present; i.e., the individuals eligible for election by a voting class with the largest number of votes in favor of their election are elected as directors up to the maximum number of directors to be chosen in the election by such voting class. Votes against a candidate are not given legal effect and are not counted as votes cast in an election of directors. In the event two (2) or more persons tie for the last vacancy to be filled, a run-off vote shall be taken from among the candidates receiving the tie vote. Each director shall hold office until the next annual meeting of shareholders and until the director's successor shall have been elected or there is a decrease in the number of directors, or until his or her prior death, resignation or removal. Any director may be removed from office by the affirmative vote of a two-thirds majority of the shares outstanding of the class or classes of stock which elected such director at a special meeting of shareholders called for that purpose. Although the foregoing bylaw establishes a greater shareholder voting requirement than is generally provided by the Wisconsin Business Corporation Law, it has not been amended or repealed, and it is therefore effective pursuant to Section 180.1706(4) or successor statutes. The removal may be made with or without cause unless the Articles of Incorporation or these Bylaws provide that directors may be removed only for cause. If a director is elected by a voting class of shareholders, only the shareholders of that voting class may participate in the vote to remove that director. A director may resign at any time by delivering a written resignation to the Board of Directors, to the Chairperson of the Board (if there is one), or to the corporation through the Secretary or otherwise. Directors need not be residents of the State of Wisconsin or shareholders of the corporation.

3.03 Regular Meetings. A regular meeting of the Board of Directors shall be held, without other notice than this Bylaw, immediately after the annual meeting of shareholders, and each adjourned session thereof. The place of such regular meeting shall be the same as the place of the meeting of shareholders which precedes it, or such other suitable place as may be announced at such meeting of shareholders or designated in a notice sent to the directors. The Board of Directors and any committee may provide, by resolution, the time and place, either within or without the State of Wisconsin, for the holding of additional regular meetings without other notice than such resolution.

3.04 Special Meetings. Special meetings of the Board of Directors may be called by the Secretary of the corporation at the request of any member of the Board of Directors or by the Chairman or the President of the corporation. Special meetings of any committee may be called by or at the request of the foregoing persons or the chairperson of the committee. The persons calling any special meeting of the Board of Directors or committee may fix any place, either within or without the State of Wisconsin, as the place for holding any special meeting called by them, and if no other place is fixed the place of meeting shall be the principal office of the corporation in the State of Wisconsin.

3.05 Meetings By Telephone or Other Communication Technology.

(a) Any or all directors may participate in a regular or special meeting or in a committee meeting of the Board of Directors by, or conduct the meeting through the use of, telephone or any other means of communication by which either: (i) all participating directors may simultaneously hear each other during the meeting or (ii) all communication during the meeting is immediately transmitted to each participating director, and each participating director is able to immediately send messages to all other participating directors.

(b) If a meeting will be conducted through the use of any means described in Section 3.05(a), all participating directors shall be informed that a meeting is taking place at which official business may be transacted. A director participating in a meeting by any means described in Section 3.05(a) is deemed to be present in person at the meeting.

3.06 Notice of Meetings. Except as otherwise provided in the Articles of Incorporation or the Wisconsin Business Corporation Law, notice of the date, time and place of any special meeting of the Board of Directors and of any special meeting of a committee of the Board shall be given orally or in writing to each director or committee member at least 48 hours prior to the meeting, except that notice by mail shall be given at least 72 hours prior to the meeting. For purposes of this Section 3.06, notice by electronic transmission is written notice. The notice need not describe the purpose of the meeting. Notice may be communicated in person; by mail or other method of delivery (meaning any method of delivery used in conventional commercial practice, including delivery by hand, mail, commercial delivery and "electronic transmission," as defined in the Wisconsin Business Corporation Law); by telephone, including voice mail, answering machine or answering service; or by any other electronic means. Oral notice is effective when communicated. Written notice is effective as follows: If delivered in person or by commercial delivery, when received; if given by mail, when deposited, postage prepaid, in the United States mail addressed to the director at his or her business or home address (or such other address as the director may have designated in writing filed with the Secretary); if given by facsimile, at the time transmitted to a facsimile number at any address designated above; if given by telegraph, when delivered to the telegraph company; and if given by electronic transmission, when electronically transmitted to the director in a manner authorized by the director.

3.07 Quorum. Except as otherwise provided by the Wisconsin Business Corporation Law, a majority of the number of directors as provided in Section 3.01 shall constitute a

quorum of the Board of Directors. Except as otherwise provided by the Wisconsin Business Corporation Law, a majority of the number of directors appointed to serve on a committee shall constitute a quorum of the committee. Although less than a quorum of the Board of Directors or a committee is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

3.08 Manner of Acting. Except as otherwise provided by the Wisconsin Business Corporation Law or the Articles of Incorporation, the affirmative vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors or any committee thereof.

3.09 Conduct of Meetings. The Chairperson of the Board, or if there is none, or in his or her absence, the President, and in the President's absence, a Vice President in the order provided under Section 4.06 of these Bylaws, and in their absence, any director chosen by the directors present, shall call meetings of the Board of Directors to order and shall chair the meeting. The Secretary of the corporation shall act as secretary of all meetings of the Board of Directors, but in the absence of the Secretary, the presiding officer may appoint any assistant secretary or any director or other person present to act as secretary of the meeting.

3.10 Vacancies. Any vacancy occurring in the Board of Directors, including a vacancy created by an increase in the number of directors, may be filled by the shareholders or the Board of Directors. If the directors remaining in office constitute fewer than a quorum of the Board, the directors may fill a vacancy by the affirmative vote of a majority of all directors remaining in office. If the vacant office was held by a director elected by a voting class of shareholders, only the holders of shares of that voting class may vote to fill the vacancy if it is filled by the shareholders, and only the remaining directors elected by that voting class may vote to fill the vacancy if it is filled by the directors. A vacancy that will occur at a specific later date (because of a resignation effective at a later date or otherwise) may be filled before the vacancy occurs, but the new director may not take office until the vacancy occurs.

3.11 Compensation. The Board of Directors, irrespective of any personal interest of any of its members, may fix the compensation of directors, or may delegate the authority to an appropriate committee.

3.12 Presumption of Assent. A director who is present and is announced as present at a meeting of the Board of Directors or a committee thereof at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless (i) the director objects at the beginning of the meeting or promptly upon his or her arrival to holding the meeting or transacting business at the meeting, or (ii) the director's dissent or abstention from the action taken is entered in the minutes of the meeting, or (iii) the director delivers his or her written dissent or abstention to the presiding officer of the meeting before the adjournment thereof or to the corporation immediately after the adjournment of the meeting. Such right to dissent or abstain shall not apply to a director who voted in favor of such action.

3.13 Committees. Unless the Articles of Incorporation otherwise provide, the Board of Directors, by resolution adopted by the affirmative vote of a majority of all the directors

then in office, may create one (1) or more committees. Each committee shall consist of three (3) or more directors as members. An Executive Committee so appointed shall have and may exercise, when the Board of Directors is not in session, the powers of the Board of Directors in the management of the business and affairs of the corporation, subject to the limitations set forth in this Section 3.13 and any additional limitations provided by resolution adopted by the affirmative vote of the directors then in office. Committees other than an Executive Committee, to the extent provided in the resolution adopted by the Board of Directors creating such other committees, and as thereafter supplemented or amended by further resolution adopted by a like vote, may exercise the authority of the Board of Directors, except that neither the Executive Committee nor any other committee may: (a) authorize distributions; (b) approve or propose to shareholders action that the Wisconsin Business Corporation Law requires be approved by shareholders; (c) fill vacancies on the Board of Directors or any of its committees, except that the Board of Directors may provide by resolution that any vacancies on a committee shall be filled by the affirmative vote of a majority of the remaining committee members; (d) amend the Articles of Incorporation; (e) adopt, amend or repeal Bylaws; (f) approve a plan of merger not requiring shareholder approval; (g) authorize or approve reacquisition of shares, except according to a formula or method prescribed by the Board of Directors or (h) authorize or approve the issuance or sale or contract for sale of shares, or determine the designation and relative rights, preferences and limitations of a class or series of shares, except within limits prescribed by the Board of Directors. The Board of Directors may elect one or more of its members as alternate members of any such committee who may take the place of any absent member or members at any meeting of such committee, upon request by the Chairperson of the Board, if there is one, the President or upon request by the chairperson of such meeting. Each such committee shall fix its own rules (consistent with the Wisconsin Business Corporation Law, the Articles of Incorporation and these Bylaws) governing the conduct of its activities and shall make such reports to the Board of Directors of its activities as the Board of Directors may request. Unless otherwise provided by the Board of Directors in creating a committee, a committee may employ counsel, accountants and other consultants to assist it in the exercise of authority. The creation of a committee, delegation of authority to a committee or action by a committee does not relieve the Board of Directors or any of its members of any responsibility imposed on the Board of Directors or its members by law.

ARTICLE IV

OFFICERS

4.01 Appointment. The principal officers shall include a President, one or more Vice Presidents (the number and designations to be determined by the Board of Directors), a Secretary, a Treasurer and such other officers if any, as may be deemed necessary by the Board of Directors, each of whom shall be appointed by the Board of Directors. Any two or more offices may be held by the same person.

4.02 Resignation and Removal. An officer shall hold office until he or she resigns, dies, is removed hereunder, or a different person is appointed to the office. An officer may

resign at any time by delivering an appropriate written notice to the corporation. The resignation is effective when the notice is delivered, unless the notice specifies a later effective date and the corporation accepts the later effective date. Any officer may be removed by the Board of Directors with or without cause and notwithstanding the contract rights, if any, of the person removed. Except as provided in the preceding sentence, the resignation or removal is subject to any remedies provided by any contract between the officer and the corporation or otherwise provided by law. Appointment shall not of itself create contract rights.

4.03 Vacancies. A vacancy in any office because of death, resignation, removal or otherwise, shall be filled by the Board of Directors. If a resignation is effective at a later date, the Board of Directors may fill the vacancy before the effective date if the Board of Directors provides that the successor may not take office until the effective date.

4.04 Chairperson of the Board. The Board of Directors may at its discretion appoint a Chairperson of the Board. The Chairperson of the Board, if there is one, shall preside at all meetings of the shareholders and Board of Directors, and shall carry out such other duties as directed by the Board of Directors.

4.05 President. The President shall be the principal executive officer and, subject to the control and direction of the Board of Directors, shall in general supervise and control all of the business and affairs of the corporation. He or she shall, in the absence of the Chairperson of the Board (if one is appointed), preside at all meetings of the shareholders and of the Board of Directors. The President shall have authority, subject to such rules as may be prescribed by the Board of Directors, to appoint such agents and employees of the corporation as he or she shall deem necessary, to prescribe their powers, duties and compensation, and to delegate authority to them. Such agents and employees shall hold office at the discretion of the President. The President shall have authority to sign, execute and acknowledge, on behalf of the corporation, all deeds, mortgages, bonds, stock certificates, contracts, leases, reports and all other documents or instruments necessary or proper to be executed in the course of the corporation's regular business, or which shall be authorized by resolution of the Board of Directors; and, except as otherwise provided by law or directed by the Board of Directors, the President may authorize any Vice President or other officer or agent of the corporation to sign, execute and acknowledge such documents or instruments in his or her place and stead. In general he or she shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

4.06 Vice Presidents. In the absence of the President, or in the event of the President's death, inability or refusal to act, or in the event for any reason it shall be impracticable for the President to act personally, a Vice President (or in the event there be more than one Vice President, the Vice Presidents in the order designated by the Board of Directors, or in the absence of any designation, then in the order of their appointment) shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President may sign, with the Secretary or Assistant Secretary, certificates for shares of the corporation; and shall perform such other duties and have such authority as from time to time may be delegated or assigned to

him or her by the President or the Board of Directors. The execution of any instrument of the corporation by any Vice President shall be conclusive evidence, as to third parties, of the Vice President's authority to act in the stead of the President.

4.07 Secretary. The Secretary shall: (a) keep (or cause to be kept) regular minutes of all meetings of the shareholders, the Board of Directors and any committees of the Board of Directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the corporate records and of the seal of the corporation, if any, and see that the seal of the corporation, if any, is affixed to all documents which are authorized to be executed on behalf of the corporation under its seal; (d) keep or arrange for the keeping of a register of the post office address of each shareholder which shall be furnished to the Secretary by such shareholder; (e) sign with the President, or a Vice President, certificates for shares of the corporation, the issuance of which shall have been authorized by resolution of the Board of Directors; (f) keep or arrange for the keeping of the stock transfer books of the corporation; and (g) in general perform all duties incident to the office of Secretary and have such other duties and exercise such authority as from time to time may be delegated or assigned to him or her by the President or by the Board of Directors.

4.08 Treasurer. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the corporation; (b) receive and give receipts for moneys due and payable to the corporation from any source whatsoever, and deposit all such moneys in the name of the corporation in such banks, trust companies or other depositaries as shall be selected by the corporation; and (c) in general perform all of the duties incident to the office of Treasurer and have such other duties and exercise such other authority as from time to time may be delegated or assigned to him or her by the President or by the Board of Directors.

4.09 Assistants and Acting Officers. The Board of Directors or the President shall have the power to appoint any person to act as assistant to any officer, or as agent for the corporation in the officer's stead, or to perform the duties of such officer whenever for any reason it is impracticable for such officer to act personally, and such assistant or acting officer or other agent so appointed by the Board of Directors or President shall have the power to perform all the duties of the office to which that person is so appointed to be assistant, or as to which he or she is so appointed to act, except as such power may be otherwise defined or restricted by the Board of Directors or the President.

4.10 Salaries. The salaries of the principal officers shall be fixed from time to time by the Board of Directors or by a duly authorized committee thereof, and no officer shall be prevented from receiving such salary by reason of the fact that such officer is also a director of the corporation.

ARTICLE V

CERTIFICATES FOR SHARES AND THEIR TRANSFER

5.01 Certificates for Shares. Shares of the corporation's stock may be certificated or uncertificated, as provided under the Wisconsin Business Corporation Law.

(d) Shares of this corporation may be represented by certificates. Certificates representing shares of the corporation shall be in such form, consistent with law, as shall be determined by the Board of Directors. At a minimum, a share certificate shall state on its face the name of the corporation and that it is organized under the laws of the State of Wisconsin, the name of the person to whom issued, and the number and class of shares and the designation of the series, if any, that the certificate represents. If the corporation is authorized to issue different classes of shares or different series within a class, the front or back of the certificate must contain either (i) a summary of the designations, relative rights, preferences and limitations applicable to each class, and the variations in the rights, preferences and limitations determined for each series and the authority of the Board of Directors to determine variations for future series, or (ii) a conspicuous statement that the corporation will furnish the shareholder the information described in clause (i) on request, in writing and without charge. Such certificates shall be signed, either manually or in facsimile, by the Chairman, the President, or a Vice President and by the Secretary or an Assistant Secretary. All certificates for shares shall be consecutively numbered or otherwise identified. The name and address of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the stock transfer books of the corporation. All certificates surrendered to the corporation for transfer shall be canceled and no new certificate or uncertificated shares shall be issued until, in the case of shares represented by a stock certificate, the former certificate for a like number of shares shall have been surrendered and canceled, except as provided in Section 5.05.

(e) The Board of Directors may authorize the issuance of some or all of any or all classes or series of the corporation's stock, common, preferred or otherwise, without certificates. The authorization does not affect shares already represented by certificates until the certificates are surrendered to the corporation. Within a reasonable time after the issuance or transfer of shares without certificates, the corporation shall send the shareholder a written statement of the information required on share certificates by paragraph (a) of this Section 5.01 and, if applicable, Section 5.04. Unless the Wisconsin Business Corporation Law or Chapter 408 of the Wisconsin Statutes expressly provides otherwise, the rights and obligations of shareholders are identical whether or not their shares are represented by certificates.

5.02 Signature by Former Officers. If an officer or assistant officer, who has signed or whose facsimile signature has been placed upon any certificate for shares, has ceased to be such officer or assistant officer before such certificate is issued, the certificate may be issued by the corporation with the same effect as if that person were still an officer or assistant officer at the date of its issue.

5.03 Transfer of Shares. The corporation's books shall reflect transfers of shares only if a transfer of such shares has been made or directed by the record holder of such shares,

or by the record holder's attorney lawfully constituted in writing, and, in the case of shares represented by a certificate, upon surrender of the certificate or compliance with Section 5.05. Prior to due presentment of a certificate for shares for registration of transfer, and unless the corporation has established a procedure by which a beneficial owner of shares held by a nominee is to be recognized by the corporation as the shareholder, the corporation may treat the registered owner of such shares as the person exclusively entitled to vote, to receive notifications and otherwise to have and exercise all the rights and power of an owner. The corporation may require reasonable assurance that all transfer endorsements are genuine and effective and in compliance with all regulations prescribed by or under the authority of the Board of Directors.

5.04 Restrictions on Transfer. The face or reverse side of each certificate representing shares, or with respect to shares without certificates, the written statement of the information required by Section 5.01(b), shall bear a conspicuous notation of any restriction upon the transfer of such shares imposed by the corporation or imposed by any agreement of which the corporation has written notice.

5.05 Lost, Destroyed or Stolen Certificates. Where the owner claims that his or her certificate for shares has been lost, destroyed or wrongfully taken, a new certificate, or a new statement as provided in Section 5.01(b) for uncertificated shares, shall be issued in place thereof if the owner (a) so requests before the corporation has notice that such shares have been acquired by a bona fide purchaser, and (b) if required by the corporation, files with the corporation a sufficient indemnity bond, and (c) satisfies such other reasonable requirements as may be prescribed by or under the authority of the Board of Directors.

5.06 Consideration for Shares. The shares of the corporation may be issued for such consideration as shall be fixed from time to time and determined to be adequate by the Board of Directors, provided that any shares having a par value shall not be issued for a consideration less than the par value thereof. The consideration may consist of any tangible or intangible property or benefit to the corporation, including cash, promissory notes, services performed, contracts for services to be performed, or other securities of the corporation. When the corporation receives the consideration for which the Board of Directors authorized the issuance of shares, such shares shall be deemed to be fully paid and nonassessable by the corporation.

5.07 Stock Regulations. The Board of Directors shall have the power and authority to make all such rules and regulations not inconsistent with the statutes of the State of Wisconsin as it may deem expedient concerning the issue, transfer and registration of certificates representing shares of the corporation, including the appointment or designation of one or more stock transfer agents and one or more registrars.

ARTICLE VI

WAIVER OF NOTICE

6.01 Shareholder Written Waiver. A shareholder may waive any notice required by the Wisconsin Business Corporation Law, the Articles of Incorporation or these Bylaws before or after the date and time stated in the notice. The waiver shall be in writing and signed by the shareholder entitled to the notice, shall contain the same information that would have been required in the notice under the Wisconsin Business Corporation Law except that the time and place of meeting need not be stated, and shall be delivered to the corporation for inclusion in the corporate records.

6.02 Shareholder Waiver by Attendance. A shareholder's attendance at a meeting, in person or by proxy, waives objection to both of the following:

(c) Lack of notice or defective notice of the meeting, unless the shareholder at the beginning of the meeting or promptly upon arrival objects to holding the meeting or transacting business at the meeting.

(d) Consideration of a particular matter at the meeting that is not within the purpose described in the meeting notice, unless the shareholder objects to considering the matter when it is presented.

6.03 Director Written Waiver. A director may waive any notice required by the Wisconsin Business Corporation Law, the Articles of Incorporation or the Bylaws before or after the date and time stated in the notice. The waiver shall be in writing, signed by the director entitled to the notice and retained by the corporation.

6.04 Director Waiver by Attendance. A director's attendance at or participation in a meeting of the Board of Directors or any committee thereof waives any required notice to him or her of the meeting unless the director at the beginning of the meeting or promptly upon his or her arrival objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

ARTICLE VII

ACTION WITHOUT MEETINGS

7.01 Shareholder Action Without Meeting. Action required or permitted by the Wisconsin Business Corporation Law to be taken at a shareholders' meeting may be taken without a meeting by all shareholders entitled to vote on the action. The action must be evidenced by one or more written consents describing the action taken, signed by the shareholders consenting thereto and delivered to the corporation for inclusion in its corporate records. Action taken hereunder is effective when the consent is delivered to the corporation, unless the consent specifies a different effective date. A consent hereunder has the effect of a meeting vote and may be described as such in any document.

7.02 Director Action Without Meeting. Unless the Articles of Incorporation provide otherwise, action required or permitted by the Wisconsin Business Corporation Law to be taken at a Board of Directors meeting or committee meeting may be taken without a meeting if

the action is taken by all members of the Board or committee. The action shall be evidenced by one or more written consents describing the action taken, signed by each director and retained by the corporation. Action taken hereunder is effective when the last director signs the consent, unless the consent specifies a different effective date. A consent signed hereunder has the effect of a unanimous vote taken at a meeting at which all directors or committee members were present, and may be described as such in any document.

ARTICLE VIII

INDEMNIFICATION

8.01 Indemnification for Successful Defense. Within twenty (20) days after receipt of a written request pursuant to Section 8.03, the corporation shall indemnify a director or officer, to the extent he or she has been successful on the merits or otherwise in the defense of a proceeding, for all reasonable expenses incurred in the proceeding if the director or officer was a party because he or she is a director or officer of the corporation.

8.02 Other Indemnification.

(a) In cases not included under Section 8.01, the corporation shall indemnify a director or officer against all liabilities and expenses incurred by the director or officer in a proceeding to which the director or officer was a party because he or she is a director or officer of the corporation, unless liability was incurred because the director or officer breached or failed to perform a duty he or she owes to the corporation and the breach or failure to perform constitutes any of the following:

(1) A willful failure to deal fairly with the corporation or its shareholders in connection with a matter in which the director or officer has a material conflict of interest.

(2) A violation of criminal law, unless the director or officer had reasonable cause to believe that his or her conduct was lawful or no reasonable cause to believe that his or her conduct was unlawful.

(3) A transaction from which the director or officer derived an improper personal profit.

(4) Willful misconduct.

(b) Determination of whether indemnification is required under this Section shall be made pursuant to Section 8.05.

(c) The termination of a proceeding by judgment, order, settlement or conviction, or upon a plea of no contest or an equivalent plea, does not, by itself, create a presumption that indemnification of the director or officer is not required under this Section.

8.03 Written Request. A director or officer who seeks indemnification under Sections 8.01 or 8.02 shall make a written request to the corporation.

8.04 Nonduplication. The corporation shall not indemnify a director or officer under Sections 8.01 or 8.02 if the director or officer has previously received indemnification or allowance of expenses from any person, including the corporation, in connection with the same proceeding. However, the director or officer has no duty to look to any other person for indemnification.

8.05 Determination of Right to Indemnification.

(a) Unless otherwise provided by the Articles of Incorporation or by written agreement between the director or officer and the corporation, the director or officer seeking indemnification under Section 8.02 shall select one of the following means for determining his or her right to indemnification:

(1) By a majority vote of a quorum of the Board of Directors consisting of directors not at the time parties to the same or related Proceedings. If a quorum of disinterested directors cannot be obtained, by majority vote of a committee duly appointed by the Board of Directors and consisting solely of two (2) or more directors who are not at the time parties to the same or related proceedings. Directors who are parties to the same or related proceedings may participate in the designation of members of the committee.

(2) By independent legal counsel selected by a quorum of the Board of Directors or its committee in the manner prescribed in sub. (1) or, if unable to obtain such a quorum or committee, by a majority vote of the full Board of Directors, including directors who are parties to the same or related proceedings.

(3) By a panel of three (3) arbitrators consisting of one arbitrator selected by those directors entitled under sub. (2) to select independent legal counsel, one arbitrator selected by the director or officer seeking indemnification and one arbitrator selected by the two (2) arbitrators previously selected.

(4) By an affirmative vote of shares represented at a meeting of shareholders at which a quorum of the voting group entitled to vote thereon is present. Shares owned by, or voted under the control of, persons who are at the time parties to the same or related proceedings, whether as plaintiffs or defendants or in any other capacity, may not be voted in making the determination.

(5) By a court under Section 8.08.

(6) By any other method provided for in any additional right to indemnification permitted under Section 8.07.

(b) In any determination under (a), the burden of proof is on the corporation to prove by clear and convincing evidence that indemnification under Section 8.02 should not be allowed.

(c) A written determination as to a director's or officer's indemnification under Section 8.02 shall be submitted to both the corporation and the director or officer within 60 days of the selection made under (a).

(d) If it is determined that indemnification is required under Section 8.02, the corporation shall pay all liabilities and expenses not prohibited by Section 8.04 within ten (10) days after receipt of the written determination under (c). The corporation shall also pay all expenses incurred by the director or officer in the determination process under (a).

8.06 Advance of Expenses. Within ten (10) days after receipt of a written request by a director or officer who is a party to a proceeding, the corporation shall pay or reimburse his or her reasonable expenses as incurred if the director or officer provides the corporation with all of the following:

(a) A written affirmation of his or her good faith belief that he or she has not breached or failed to perform his or her duties to the corporation.

(b) A written undertaking, executed personally or on his or her behalf, to repay the allowance to the extent that it is ultimately determined under Section 8.05 that indemnification under Section 8.02 is not required and that indemnification is not ordered by a court under Section 8.08(b)(2). The undertaking under this Section 8.06(b) shall be an unlimited general obligation of the director or officer and may be accepted without reference to his or her ability to repay the allowance. The undertaking may be secured or unsecured.

8.07 Nonexclusivity.

(a) Except as provided in Section 8.07(b), Sections 8.01, 8.02 and 8.06 do not preclude any additional right to indemnification or allowance of expenses that a director or officer may have under any of the following:

(1) The Articles of Incorporation.

(2) A written agreement between the director or officer and the corporation.

(3) A resolution of the Board of Directors.

(4) A resolution, after notice, adopted by a majority vote of all of the corporation's voting shares then issued and outstanding.

(b) Regardless of the existence of an additional right under Section 8.07(a), the corporation shall not indemnify a director or officer, or permit a director or officer to retain any allowance of expenses unless it is determined by or on behalf of the corporation that the director or officer did not breach or fail to perform a duty he or she owes to the corporation which constitutes conduct under Section 8.02(a)(1), (2), (3) or (4). A director or officer who is a party to the same or related proceeding for which indemnification or an allowance of expenses is sought may not participate in a determination under this Section 8.07(b).

(c) Sections 8.01 to 8.14 do not affect the corporation's power to pay or reimburse expenses incurred by a director or officer in either of the following circumstances:

(1) As a witness in a proceeding to which he or she is not a party.

(2) As a plaintiff or petitioner in a proceeding because he or she is or was an employee, agent, director or officer of the corporation.

8.08 Court-Ordered Indemnification.

(a) Except as provided otherwise by written agreement between the director or officer and the corporation, a director or officer who is a party to a proceeding may apply for indemnification to the court conducting the proceeding or to another court of competent jurisdiction. Application shall be made for an initial determination by the court under Section 8.05(a)(5) or for review by the court of an adverse determination under Section 8.05(a)(1), (2), (3), (4) or (6). After receipt of an application, the court shall give any notice it considers necessary.

(b) The court shall order indemnification if it determines any of the following:

(3) That the director or officer is entitled to indemnification under Sections 8.01 or 8.02.

(4) That the director or officer is fairly and reasonably entitled to indemnification in view of all the relevant circumstances, regardless of whether indemnification is required under Section 8.02.

(c) If the court determines under Section 8.08(b) that the director or officer is entitled to indemnification, the corporation shall pay the director's or officer's expenses incurred to obtain the court-ordered indemnification.

8.09 Indemnification and Allowance of Expenses of Employees and Agents. The corporation shall indemnify an employee of the corporation who is not a director or officer of the corporation, to the extent that he or she has been successful on the merits or otherwise in defense of a proceeding, for all reasonable expenses incurred in the proceeding if the employee was a party because he or she was an employee of the corporation. In addition, the

corporation may indemnify and allow reasonable expenses of an employee or agent who is not a director or officer of the corporation to the extent provided by the Articles of Incorporation or these Bylaws, by general or specific action of the Board of Directors or by contract.

8.10 Insurance. The corporation may purchase and maintain insurance on behalf of an individual who is an employee, agent, director or officer of the corporation against liability asserted against or incurred by the individual in his or her capacity as an employee, agent, director or officer, regardless of whether the corporation is required or authorized to indemnify or allow expenses to the individual against the same liability under Sections 8.01, 8.02, 8.06, 8.07 and 8.09.

8.11 Securities Law Claims.

(a) Pursuant to the public policy of the State of Wisconsin, the corporation shall provide indemnification and allowance of expenses and may insure for any liability incurred in connection with a proceeding involving securities regulation described under Section 8.11(b) to the extent required or permitted under Sections 8.01 to 8.10.

(b) Sections 8.01 to 8.10 apply, to the extent applicable to any other proceeding, to any proceeding involving a federal or state statute, rule or regulation regulating the offer, sale or purchase of securities, securities brokers or dealers, or investment companies or investment advisers.

8.12 Liberal Construction. In order for the corporation to obtain and retain qualified directors, officers and employees, the foregoing provisions shall be liberally administered in order to afford maximum indemnification of directors, officers and, where Section 8.09 of these Bylaws applies, employees. The indemnification above provided for shall be granted in all applicable cases unless to do so would clearly contravene law, controlling precedent or public policy.

8.13 Definitions Applicable to this Article. For purposes of this Article:

(a) "Affiliate" shall include, without limitation, any corporation, partnership, joint venture, employee benefit plan, trust or other enterprise that directly or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the corporation.

(b) "Corporation" means this corporation and any domestic or foreign predecessor of this corporation where the predecessor corporation's existence ceased upon the consummation of a merger or other transaction.

(c) "Director or officer" means any of the following:

(1) An individual who is or was a director or officer of this corporation.

(2) An individual who, while a director or officer of this corporation, is or was serving at the corporation's request as a director, officer, partner, trustee, member of any governing or decision-making committee, employee or agent of another corporation or foreign corporation, partnership, joint venture, trust or other enterprise.

(3) An individual who, while a director or officer of this corporation, is or was serving an employee benefit plan because his or her duties to the corporation also impose duties on, or otherwise involve services by, the person to the plan or to participants in or beneficiaries of the plan.

(4) Unless the context requires otherwise, the estate or personal representative of a director or officer.

For purposes of this Article, it shall be conclusively presumed that any director or officer serving as a director, officer, partner, trustee, member of any governing or decision-making committee, employee or agent of an affiliate shall be so serving at the request of the corporation.

(d) "Expenses" include fees, costs, charges, disbursements, attorney fees and other expenses incurred in connection with a proceeding.

(e) "Liability" includes the obligation to pay a judgment, settlement, penalty, assessment, forfeiture or fine, including an excise tax assessed with respect to an employee benefit plan, and reasonable expenses.

(f) "Party" includes an individual who was or is, or who is threatened to be made, a named defendant or respondent in a proceeding.

(g) "Proceeding" means any threatened, pending or completed civil, criminal, administrative or investigative action, suit, arbitration or other proceeding, whether formal or informal, which involves foreign, federal, state or local law and which is brought by or in the right of the corporation or by any other person.

ARTICLE IX

SEAL

The Board of Directors may provide a corporate seal which may be circular in form and have inscribed thereon the name of the corporation and the state of incorporation and the words "Corporate Seal."

ARTICLE X

AMENDMENTS

10.01 By Shareholders. These Bylaws may be amended or repealed and new Bylaws may be adopted by the shareholders by the vote provided in Section 2.07 of these Bylaws or as

specifically provided in this Section 10.01. If authorized by the Articles of Incorporation, the shareholders may adopt or amend a Bylaw that fixes a greater or lower quorum requirement or a greater voting requirement for shareholders or voting classes of shareholders than otherwise is provided in the Wisconsin Business Corporation Law. The adoption or amendment of a Bylaw that adds, changes or deletes a greater or lower quorum requirement or a greater voting requirement for shareholders must meet the same quorum requirement and be adopted by the same vote and voting classes required to take action under the quorum and voting requirement then in effect.

10.02 By Directors. Except as the Articles of Incorporation may otherwise provide, these Bylaws may also be amended or repealed and new Bylaws may be adopted by the Board of Directors by the vote provided in Section 3.08, but (a) no Bylaw adopted by the shareholders shall be amended, repealed or readopted by the Board of Directors if the Bylaw so adopted so provides and (b) a Bylaw adopted or amended by the shareholders that fixes a greater or lower quorum requirement or a greater voting requirement for the Board of Directors than otherwise is provided in the Wisconsin Business Corporation Law may not be amended or repealed by the Board of Directors unless the Bylaw expressly provides that it may be amended or repealed by a specified vote of the Board of Directors. Action by the Board of Directors to adopt or amend a Bylaw that changes the quorum or voting requirement for the Board of Directors must meet the same quorum requirement and be adopted by the same vote required to take action under the quorum and voting requirement then in effect, unless a different voting requirement is specified as provided by the preceding sentence. A Bylaw that fixes a greater or lower quorum requirement or a greater voting requirement for shareholders or voting classes of shareholders than otherwise is provided in the Wisconsin Business Corporation Law may not be adopted, amended or repealed by the Board of Directors.

10.03 Implied Amendments. Any action taken or authorized by the shareholders or by the Board of Directors, which would be inconsistent with the Bylaws then in effect but is taken or authorized by a vote that would be sufficient to amend the Bylaws so that the Bylaws would be consistent with such action, shall be given the same effect as though the Bylaws had been temporarily amended or suspended so far, but only so far, as is necessary to permit the specific action so taken or authorized.

J.P.Morgan

FOURTH AMENDED AND RESTATED
CREDIT AGREEMENT

Dated as of July 18, 2013

among

ACTUANT CORPORATION
THE FOREIGN SUBSIDIARY BORROWERS PARTY HERETO,

THE LENDERS FROM TIME TO TIME PARTY HERETO,

JPMORGAN CHASE BANK, N.A.
as Administrative Agent,

BANK OF AMERICA, N.A.
WELLS FARGO BANK, N.A.
and
U.S. BANK NATIONAL ASSOCIATION
as Syndication Agents,

and
KEYBANK NATIONAL ASSOCIATION
and
BMO HARRIS BANK N.A.
as Documentation Agents

J.P. MORGAN SECURITIES LLC
MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED
WELLS FARGO SECURITIES, LLC
and
U.S. BANK NATIONAL ASSOCIATION
Joint Lead Arrangers and Joint Bookrunners

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FOURTH AMENDED AND RESTATED
CREDIT AGREEMENT

This Fourth Amended and Restated Credit Agreement, dated as of July 18, 2013, is among ACTUANT CORPORATION, a Wisconsin corporation, the FOREIGN SUBSIDIARY BORROWERS that are or may hereafter become party hereto, the LENDERS from time to time party hereto, JPMORGAN CHASE BANK, N.A., a national banking association, as LC Issuer and as Agent, BANK OF AMERICA, N.A., WELLS FARGO BANK, N.A. and U.S. BANK NATIONAL ASSOCIATION, as Syndication Agents, and KEYBANK NATIONAL ASSOCIATION and BMO HARRIS BANK N.A., as Documentation Agents.

WHEREAS, the Borrowers, the lenders party thereto and the Agent are currently party to the Third Amended and Restated Credit Agreement, dated as of February 23, 2011 (as amended, supplemented or otherwise modified prior to the date hereof, the "**Existing Credit Agreement**");

WHEREAS, the Borrowers, the Lenders, the Departing Lenders (as hereinafter defined) and the Agent have agreed (a) to enter into this Agreement in order to (i) amend and restate the Existing Credit Agreement in its entirety; (ii) re-evidence the "Obligations" under, and as defined in, the Existing Credit Agreement, which shall be repayable in accordance with the terms of this Agreement; and (iii) set forth the terms and conditions under which the Lenders will, from time to time, make loans and extend other financial accommodations to or for the benefit of the Borrowers and (b) that each Departing Lender shall cease to be a party to the Existing Credit Agreement, as evidenced by its execution and delivery of its Departing Lender Signature Page (as hereinafter defined);

WHEREAS, it is the intent of the parties hereto that this Agreement shall not constitute a novation of the obligations and liabilities of the parties under the Existing Credit Agreement or be deemed to evidence or constitute full repayment of such obligations and liabilities, but that this Agreement shall amend and restate in its entirety the Existing Credit Agreement and re-evidence the obligations and liabilities of the Borrowers outstanding thereunder, which shall be payable in accordance with the terms hereof; and

WHEREAS, it is also the intent of the Borrowers, the Guarantors and the Foreign Law Pledgors to confirm that all obligations under the applicable "Loan Documents" (as referred to and defined in the Existing Credit Agreement, and including the Existing Credit Agreement, the "**Existing Loan Documents**") shall continue in full force and effect as modified or restated by the Loan Documents (as referred to and defined herein) and that, from and after the Closing Date, all references to the "Credit Agreement" contained in any such Existing Loan Documents shall be deemed to refer to this Agreement;

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the parties hereto hereby agree that the Existing Credit Agreement is hereby amended and restated as follows:

ARTICLE I

DEFINITIONS

1.1. Defined Terms. As used in this Agreement:

"**2012 Senior Note Indenture**" means that certain Indenture, dated as of April 16, 2012, between the Company and the "Trustee" referred to therein, under which the Company has issued 5.625% senior unsecured notes in an original aggregate principal amount of $300,000,000 as of the Closing Date, as such Indenture may be amended, restated, supplemented or otherwise modified from time to time in a manner permitted by the terms hereof.

"**2012 Senior Notes**" means the "Notes" as defined in the 2012 Senior Note Indenture, as such Notes may be amended, restated, supplemented or otherwise modified from time to time in a manner permitted by the terms hereof.

"**Acquisition**" means any transaction, or any series of related transactions, consummated on or after the Closing Date, by which the Company or any of its Subsidiaries (i) acquires any going business or all or substantially all of the assets of any firm, corporation or limited liability company, or division thereof, whether through purchase of assets, merger or otherwise or (ii) directly or indirectly acquires (in one transaction or as the most recent transaction in a series of transactions) at least a majority (in number of votes) of the securities of a corporation which have ordinary voting power for the election of directors (other than securities having such power only by reason of the happening of a contingency) or a majority (by percentage or voting power) of the outstanding ownership interests of a partnership or limited liability company.

"**Adjusted Eurocurrency Base Rate**" means, with respect to any Eurocurrency Advance for any Interest Period, an interest rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to the product of (a) the Eurocurrency Base Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate.

"**Advance**" means a borrowing hereunder consisting of Revolving Loans or Term Loans, as the case may be, (i) made by some or all of the Lenders on the same Borrowing Date, or (ii) converted or continued by the Lenders on the same date of conversion or continuation, consisting, in either case, of the aggregate amount of the several Loans of the same Type and, in the case of Eurocurrency Loans, in the same currency and for the same Interest Period. The term "Advance" shall also include Swing Line Loans unless otherwise expressly provided.

"**Affiliate**" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"**Agent**" means JPMorgan in its capacity as administrative agent and contractual representative of the Lenders pursuant to Article X, and not in its individual capacity as a Lender, and any successor Agent appointed pursuant to Article X.

"**Agent Parties**" is defined in Section 13.1(d).

"**Aggregate Outstanding Revolving Credit Exposure**" means, at any time, the aggregate of the Outstanding Revolving Credit Exposure of all the Revolving Lenders.

"**Aggregate Revolving Loan Commitment**" means the aggregate of the Revolving Loan Commitments of all the Lenders arising on the Closing Date, as reduced or increased from time to time pursuant to the terms hereof. The initial Aggregate Revolving Loan Commitment as of the Closing Date is $600,000,000.

"**Agreed Currencies**" means (a) Dollars and (b) so long as such currencies remain Eligible Currencies, Pounds Sterling and euro.

"**Agreement**" means this Fourth Amended and Restated Credit Agreement, as it may be amended, restated, supplemented or modified and in effect from time to time.

"**Alternate Base Rate**" means, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day *plus* ½ of 1% and (c) the Adjusted Eurocurrency Base Rate for a one month Interest Period denominated in Dollars on such day (or if such day is not a Business Day, the immediately preceding Business Day) *plus* 1%, *provided* that, for the avoidance of doubt, the Adjusted Eurocurrency Base Rate for any day shall be based on the rate appearing on the applicable Reuters Screen LIBOR01 Page (or any successor or substitute of such page) at approximately 11:00 a.m. (London time) on such day. Any change in the Alternate Base Rate due to a change in the Prime Rate, the Federal Funds Effective Rate or the Adjusted Eurocurrency Base Rate shall be effective from and including the effective date of such change in the Prime Rate, the Federal Funds Effective Rate or the Adjusted Eurocurrency Base Rate, respectively.

"**Anti-Corruption Laws**" means all laws, rules and regulations of any jurisdiction applicable to the Company and its affiliated companies concerning or relating to bribery or corruption.

"**Applicable Fee Rate**" means, at any time, the percentage rate per annum at which commitment fees under Section 2.5(a) are accruing on the unused portion of the Aggregate Revolving Loan Commitment at such time as set forth in the Pricing Schedule.

"**Applicable Margin**" means, with respect to Advances of any Type at any time, the percentage rate per annum which is applicable at such time with respect to Advances of such Type as set forth in the Pricing Schedule.

"**Applicable Pledge Percentage**" means 100%, but 65% in the case of a pledge of Equity Interests of a Foreign Subsidiary to secure the Obligations of each Borrower to the extent a 100% pledge would cause a Deemed Dividend Problem.

"**Approved Fund**" means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"**Approximate Equivalent Amount**" of any Foreign Currency with respect to any amount of Dollars shall mean the equivalent amount thereof in the applicable Foreign Currency using the Exchange Rate with respect to such Foreign Currency at the time in effect, rounded up to the nearest amount of such currency as determined by the Agent from time to time.

"**Arranger**" means each of (i) J.P. Morgan Securities LLC and its successors, (ii) Merrill Lynch, Pierce, Fenner & Smith Incorporated and its successors, (iii) Wells Fargo Securities, LLC and its successors and (iv) U.S. Bank National Association and its successors, each in its capacity as a Joint Lead Arranger and Joint Bookrunner.

"**Article**" means an article of this Agreement unless another document is specifically referenced.

"**Asset Sale**" means the sale, transfer or other disposition (by way of merger or otherwise) by the Company or any of the Subsidiaries to any Person (other than the Company or any Domestic Subsidiary Guarantor) of (a) any Equity Interest of any of the Subsidiaries (other than directors' qualifying shares or shares required by applicable law to be held by a person other than the Company or a Subsidiary) or (b) any other assets of the Company or any of the Subsidiaries, other than (i) dispositions of inventory, excess, damaged, obsolete or worn out equipment, scrap and Cash Equivalent Investments, in each case disposed of in the ordinary course of business and consistent with past practices, (ii) dispositions resulting in insurance proceeds or condemnation awards, (iii) dispositions between or among Foreign Subsidiaries or (iv) transfers

of interests in accounts or notes receivable and related assets as part of a Qualified Receivables Transaction or Permitted Factoring Transaction.

"**Assumption Letter**" means a letter of Applied Power Europa B.V. or Enerpac B.V., each a Dutch Subsidiary, addressed to the Lenders in substantially the form of Exhibit F hereto, pursuant to which such Subsidiary agrees to become a "Foreign Subsidiary Borrower" and agrees to be bound by the terms and conditions hereof.

"**Attributable Debt**" in respect of a Sale and Leaseback Transaction means, as at the time of determination, the present value (discounted at the actual rate of interest implicit in such transaction, compounded annually) of the total obligations of the lessee for rental payments during the remaining term of the lease included in such Sale and Leaseback Transaction (including any period for which such lease has been extended); *provided*, that any reference to Attributable Debt in respect of Sale and Leaseback transactions shall exclude the present value (discounted at the actual rate of interest implicit in such transaction, compounded annually) of the total obligations of the lessee for rental payments during the remaining term of the leases identified on Schedule 1.5 hereto in an aggregate amount not to exceed $20,000,000 at any time.

"**Augmenting Lender**" is defined in Section 2.5(c).

"**Available Aggregate Revolving Loan Commitment**" means, at any time, the Aggregate Revolving Loan Commitment then in effect *minus* the Aggregate Outstanding Revolving Credit Exposure at such time.

"**Banking Services**" means each and any of the following bank services provided to the Company or any Subsidiary by any Lender or any of its Affiliates: (a) commercial credit cards, (b) stored value cards, (c) purchasing cards and (d) treasury management services (including, without limitation, controlled disbursement, automated clearinghouse transactions, return items, overdrafts and interstate depository network services).

"**Banking Services Obligations**" means any and all obligations of the Company or any Subsidiary, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor) in connection with Banking Services.

"**Bankruptcy Event**" means, with respect to any Person, such Person becomes the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or, in the good faith determination of the Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment, *provided* that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof, *provided, further,* that such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

"**Board**" means the Board of Governors of the Federal Reserve System of the United States of America.

"**Borrower**" means the Company or any Foreign Subsidiary Borrower, as applicable, and "Borrowers" means all of the foregoing.

"**Borrowing Date**" means a date on which an Advance is made hereunder.

"**Borrowing Notice**" is defined in Section 2.8.

"**Business Day**" means any day that is not a Saturday, Sunday or other day on which commercial banks in Chicago or New York City are authorized or required by law to remain closed; *provided* that, when used in connection with a Eurocurrency Loan or a Letter of Credit denominated in a Foreign Currency, the term "Business Day" shall also exclude any day on which banks are not open for dealings in the relevant Agreed Currency in the London interbank market or the principal financial center of such Foreign Currency and, if the Loans or Letters of Credit which are the subject of a borrowing, drawing, payment, reimbursement or rate selection are denominated in euro, the term "Business Day" shall also exclude any day on which the TARGET2 payment system is not open for the settlement of payments in euro).

"**Capitalized Lease**" of a Person means any lease of Property by such Person as lessee which would be capitalized on a balance sheet of such Person prepared in accordance with GAAP.

"**Capitalized Lease Obligations**" of a Person means the amount of the obligations of such Person under Capitalized Leases which would be shown as a liability on a balance sheet of such Person prepared in accordance with GAAP.

"**Cash Equivalent Investments**" means (i) short-term obligations of, or fully guaranteed by, the United States of America, (ii) commercial paper rated A-1 or better by S&P or P-1 or better by Moody's, (iii) demand deposit accounts maintained in the ordinary course of business, (iv) certificates of deposit issued by and time deposits with commercial banks (whether domestic or foreign) having capital and surplus in excess of $100,000,000, and (v) shares of money market mutual funds having net assets in excess of $1,000,000,000, the investments of which are limited to one or more of the types of investments described in clauses (i) through (iv) above; *provided* in each case that the same provides for payment of both principal and interest (and not principal alone or interest alone) and is not subject to any contingency regarding the payment of principal or interest.

"**Change in Control**" shall be deemed to have occurred if (a) any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) is or becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that for purposes of this clause (a) such person shall be deemed to have "beneficial ownership" of all shares that any such person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Company (for the purpose of this clause (a) a person shall be deemed to beneficially own the Voting Stock of a corporation that is beneficially owned (as defined above) by another corporation (a "parent corporation") if such person beneficially owns (as defined above) at least 50% of the aggregate voting power of all classes of Voting Stock of such parent corporation); (b) during any period of two consecutive years, individuals who at the beginning of such period constituted the board of directors (together with any new directors whose election by such board of directors or whose nomination for election by the shareholders of the Company was approved by a vote of 66-2/3% of the directors of the Company then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the board of directors then in office; (c) the adoption of a plan relating to the liquidation or dissolution of the Company; (d) the merger or consolidation of the Company with or into another Person, or the sale of all or substantially all the assets of the Company to another Person; (e) any "Change in Control" or "Change of

Control" as defined in any Subordinated Indebtedness Document occurs and as a result thereof the Company is required to prepay or repurchase, or make an offer to prepay or repurchase, such Subordinated Indebtedness, (f) any "Change of Control" (or other term of like effect) as defined in the 2012 Senior Note Indenture or as similarly defined in any other Senior Note Document or (g) the Company shall cease to own and control, directly or indirectly, 100% of the Equity Interests of any Foreign Subsidiary Borrower.

"**Change in Law**" means the occurrence, after the date of this Agreement (or with respect to any Lender, if later, the date on which such Lender becomes a Lender), of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation or application thereof by any Governmental Authority, or (c) the making or issuance of any request, rules, guideline, requirement or directive (whether or not having the force of law) by any Governmental Authority; provided however, that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements and directives thereunder, issued in connection therewith or in implementation thereof, and (ii) all requests, rules, guidelines, requirements and directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law" regardless of the date enacted, adopted, issued or implemented.

"**Charges**" is defined in Section 9.16.

"**Closing Date**" means July 18, 2013.

"**Code**" means the Internal Revenue Code of 1986, as amended, reformed or otherwise modified from time to time.

"**Collateral**" means the Property covered by the Collateral Documents, the Facility LC Collateral Account and any other Property, now existing or hereafter acquired, that may at any time be or become subject to a security interest or Lien in favor of the Agent, for the benefit of the Holders of Secured Obligations, to secure the Secured Obligations.

"**Collateral Documents**" means, collectively, the Security Agreement, the Foreign Law Pledge Agreements, the Intellectual Property Security Agreements and all other agreements, instruments and documents executed in connection with this Agreement that are intended to create, perfect or evidence Liens to secure the Secured Obligations or any guaranty of the Secured Obligations, including, without limitation, all other security agreements, pledge agreements, loan agreements, notes, guarantees, subordination agreements, pledges, powers of attorney, consents, assignments, contracts, notices, financing statements and all other written matter whether heretofore, now, or hereafter executed by or on behalf of the Company or any of its Subsidiaries and delivered to the Agent or any of the Lenders, together with all agreements and documents referred to therein or contemplated thereby.

"**Collateral Release Date**" means the date, if any, on which Liens on the Collateral are released as described in Section 6.21(f)(i)(ii).

"**Collateral Shortfall Amount**" is defined in Section 8.1.1.

"**Commitment Schedule**" means the Schedule attached hereto identified as such.

"**Commitment Supplement**" means a supplement to this Agreement delivered by an Increasing Lender or an Augmenting Lender pursuant to Section 2.5(c) with respect to Incremental Term Loan

Commitments or increases to the Revolving Loan Commitments, in either case, substantially in the form of Exhibit D-1 or D-2 hereto, as appropriate.

"**Commodity Exchange Act**" means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

"**Communications**" is defined in Section 13.1(d).

"**Company**" means Actuant Corporation, a Wisconsin corporation, and its successors and assigns.

"**Consolidated Assets**" means at any time the assets of the Company and its Subsidiaries calculated on a consolidated basis in accordance with GAAP as of such time.

"**Consolidated EBITDA**" means, for any period, Consolidated Net Income for such period *plus* the sum of, to the extent deducted from revenues in determining Consolidated Net Income but without duplication, (i) Consolidated Interest Expense, (ii) provision for taxes based on income, (iii) total depreciation expense, (iv) total amortization expense, (v) unrealized non-cash Net Mark-to-Market Exposure under Rate Management Transactions, (vi) restructuring charges in an aggregate amount not to exceed $30,000,000 during any four fiscal quarter period, (vii) non-cash impairment and long-term incentive plan charges, (viii) extraordinary losses, (ix) losses from sales of assets (other than inventory sold in the ordinary course of business), (x) any non-cash charges attributable to the expensing of stock options as required or recommended by the Financial Standards and Accounting Board, (xi) the write-off of deferred financing fees and any premium actually paid in connection with Specified Financing Transactions and (xii) any non-cash charges associated with the sale or discontinuance of assets, businesses or product lines, *minus* to the extent included in revenues in determining Consolidated Net Income, but without duplication, (i) extraordinary gains and (ii) gains from the sale of assets (other than inventory sold in the ordinary course of business).

"**Consolidated Indebtedness**" means at any time the Indebtedness of the Company and its Subsidiaries calculated on a consolidated basis as of such time; *provided, however*, that Consolidated Indebtedness shall exclude Senior Note Indebtedness or Subordinated Indebtedness evidenced by any indenture or other agreement if funds remain irrevocably deposited with the trustee under such indenture or other agreement in accordance with the terms thereof and in an amount sufficient to redeem all outstanding Indebtedness thereunder (including interest thereon) and all other sums due under such indenture or other agreement in accordance with the terms thereof (and, in the case of any Senior Note Indebtedness, such redemption is permitted by the terms hereof).

"**Consolidated Interest Expense**" means, with reference to any period, the interest expense (net of interest income) of the Company and its Subsidiaries calculated on a consolidated basis for such period in accordance with GAAP, including financing costs in connection with a Qualified Receivables Transaction.

"**Consolidated Net Income**" means, for any period, (without duplication) the consolidated net after tax income (or loss) of the Company and its consolidated Subsidiaries (other than net income, if positive, of any Subsidiary to the extent that the declaration or payment of dividends or similar distributions is not at the time permitted by operation of the terms of its charter or by-laws or any other agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to such Subsidiary) determined in accordance with GAAP.

"**Consolidated Operating Income**" means, for any period, consolidated operating income of the Company and its consolidated Subsidiaries determined in accordance with GAAP.

"**Contingent Obligation**" of a Person means any agreement, undertaking or arrangement by which such Person assumes, guarantees, endorses, contingently agrees to purchase or provide funds for the payment of, or otherwise becomes or is contingently liable upon, the obligation or liability of any other Person, or agrees to maintain the net worth or working capital or other financial condition of any other Person, or otherwise assures any creditor of such other Person against loss, including, without limitation, any comfort letter, operating agreement, take-or-pay contract or the obligations of any such Person as general partner of a partnership with respect to the liabilities of the partnership.

"**Control**" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

"**Controlled Group**" means all members of a controlled group of corporations or other business entities and all trades or businesses (whether or not incorporated) under common control which, together with the Company or any of its Subsidiaries, are treated as a single employer under Section 414 of the Code.

"**Conversion/Continuation Notice**" is defined in Section 2.9.

"**Credit Event**" means (i) any Credit Extension or (ii) any payment made by the LC Issuer pursuant to one or more drawings under a Facility LC.

"**Credit Extension**" means the making of an Advance or the issuance or Modification of a Facility LC hereunder (including the reevidencing of Term Loans, Revolving Loans and/or Swing Line Loans and the deemed issuance of Existing Letters of Credit, in any such case, on the Closing Date).

"**Credit Extension Date**" means the Closing Date, the Borrowing Date for an Advance or the issuance date for a Facility LC.

"**Credit Party**" means the Agent, the LC Issuer, the Swing Line Lender or any other Lender.

"**Deemed Dividend Problem**" means, with respect to any Foreign Subsidiary, any portion of such Foreign Subsidiary's accumulated and undistributed earnings and profits being deemed to be repatriated to the Company or the applicable parent Domestic Subsidiary for United States federal income tax purposes and the effect of such repatriation causing adverse tax consequences to the Company or such parent Domestic Subsidiary, in each case as determined by the Company in its commercially reasonable judgment acting in good faith and in consultation with its legal and tax advisors.

"**Default**" means an event described in Article VII.

"**Defaulting Lender**" means any Lender that (a) has failed, within two (2) Business Days of the date required to be funded or paid, to (i) fund any portion of its Loans, (ii) fund any portion of its participations in Facility LCs or Swing Line Loans or (iii) pay over to any Credit Party any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Lender notifies the Agent in writing that such failure is the result of such Lender's good faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (b) has notified the Company or any Credit Party in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender's good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding a loan under this Agreement cannot be satisfied) or generally under other agreements in which it commits to extend

credit, (c) has failed, within three (3) Business Days after request by a Credit Party, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations (and is financially able to meet such obligations) to fund prospective Loans and participations in then outstanding Facility LCs and Swing Line Loans under this Agreement, *provided* that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon such Credit Party's receipt of such certification in form and substance satisfactory to it and the Agent, or (d) has become the subject of a Bankruptcy Event.

"**Departing Lender**" means each lender under the Existing Credit Agreement that executes and delivers to the Agent a Departing Lender Signature Page.

"**Departing Lender Signature Page**" means each signature page to this Agreement on which it is indicated that the Departing Lender executing the same shall cease to be a party to the Existing Credit Agreement on the Closing Date.

"**Dividend**" with respect to any Person means that such Person has declared or paid a dividend or returned any equity capital to its holders of its Equity Interests or authorized or made any other distribution, payment or delivery of property (other than common stock of such Person) or cash to holders of its Equity Interests as such, or redeemed, retired, purchased or otherwise acquired, directly or indirectly, for consideration any shares of any class of its Equity Interests outstanding on or after the Closing Date (or any options or warrants issued by such Person with respect to its Equity Interests), or set aside any funds for any of the foregoing purposes, or shall have permitted any of its Subsidiaries to purchase or otherwise acquire for a consideration any shares of any class of the Equity Interests of such Person outstanding on or after the Closing Date (or any options or warrants issued by such Person with respect to its Equity Interests) or, in any such case, entered into any transaction having a substantially similar effect. Without limiting the foregoing, "Dividends" with respect to any Person shall also include all payments made or required to be made by such Person with respect to any stock appreciation rights plans, equity incentive or achievement plans or any similar plans or setting aside of any funds for the foregoing purposes.

"**Dollar**" and "$" means the lawful currency of the United States of America.

"**Dollar Amount**" means, on any date of determination, (a) with respect to any amount in Dollars, such amount, and (b) with respect to any amount in any Foreign Currency, the equivalent in Dollars of such amount, determined by the Agent pursuant to Section 2.1(d) using the Exchange Rate with respect to such Foreign Currency at the time in effect.

"**Domestic Subsidiary**" means a Subsidiary of the Company incorporated or organized under the laws of the United States of America, any State thereof or the District of Columbia.

"**Domestic Subsidiary Guarantor**" means each Domestic Subsidiary that is party to the Subsidiary Guaranty. The initial Domestic Subsidiary Guarantors on the Closing Date are identified as such in Schedule 1.2 hereto.

"**Domestic Subsidiary Guaranty**" means that certain Fifth Amended and Restated Subsidiary Guaranty, dated as of the Closing Date, executed by the Domestic Subsidiary Guarantors in favor of the Agent, for the benefit of the Holders of Secured Obligations, as it may be amended, restated, supplemented or modified and in effect from time to time, pursuant to which the Domestic Subsidiary Guarantors have jointly and severally guaranteed payment of the Secured Obligations when due.

"**Dutch Borrower**" means, from and after the date on which it may become a party hereto after the Closing Date pursuant to Section 2.24.1, (i) Applied Power Europa B.V. and/or (ii) Enerpac B.V., each a Dutch Subsidiary and in each case, unless such Subsidiary has ceased to constitute a Foreign Subsidiary Borrower pursuant to Section 2.24.2.

"**Dutch Borrower Amendment**" is defined in Section 2.24.

"**Dutch Financial Supervision Act**" means the Dutch Financial Supervision Act 2007 (*Wet op het Financieel Toezicht 2007*), as amended from time to time.

"**Dutch Subsidiary**" means a Subsidiary of the Company organized under the laws of the Netherlands.

"**ECP**" means an "eligible contract participant" as defined in Section 1(a)(18) of the Commodity Exchange Act or any regulations promulgated thereunder and the applicable rules issued by the Commodity Futures Trading Commission and/or the SEC.

"**Electrical Business Segment**" means the business of the Company and its Subsidiaries involved in the design, manufacture and distribution of a broad range of electrical products to the retail DIY, wholesale, original equipment manufacturer, solar, utility, marine and other harsh environment markets, including, but not limited to, the major brands Acme Electric, Del City, Gardner Bender, Marinco Power Products, Marinco, Mastervolt and Turner Electric, together with all related and ancillary assets necessary or useful in such operations.

"**Environmental Laws**" means any and all federal, state, local and foreign statutes, laws, judicial decisions, regulations, ordinances, rules, judgments, orders, decrees, plans, injunctions, permits, concessions, grants, franchises, licenses, agreements and other governmental restrictions relating to (i) the protection of the environment, (ii) the effect of the environment on human health, (iii) emissions, discharges or releases of pollutants, contaminants, hazardous substances or wastes into surface water, ground water or land, or (iv) the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, hazardous substances or wastes or the clean-up or other remediation thereof.

"**Equity Interests**" means (i) in the case of a corporation, corporate stock, (ii) in the case of a limited liability company, association or business entity, any and all shares, interests, participations, ownership or voting rights or other equivalents (however designated) of corporate stock, (iii) in the case of a partnership, partnership interests (whether general or limited) and (iv) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person, in each case regardless of class or designation, and all warrants, options, purchase rights, conversion or exchange rights, voting rights, calls or claims of any character with respect thereto.

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and any rule or regulation issued thereunder.

"**Establishment**" means in respect of any Person, any place of operations where such Person carries out a non-transitory economic activity with human means and goods, assets or services.

"**EU**" means the European Union.

"**euro**" and/or "EUR" means the single currency of the participating member states of the EU.

"**Eurocurrency Advance**" means an Advance which, except as otherwise provided in Section 2.11, bears interest at the applicable Eurocurrency Rate.

"**Eurocurrency Base Rate**" means, with respect to any Eurocurrency Advance denominated in any Agreed Currency and for any applicable Interest Period, the London interbank offered rate as administered by the British Bankers Association (or any other Person that takes over the administration of such rate for such Agreed Currency) for a period equal in length to such Interest Period as displayed on pages LIBOR01 or LIBOR02 of the Reuters screen that displays such rate (or, in the event such rate does not appear on a Reuters page or screen, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate from time to time as selected by the Agent in its reasonable discretion; in each case, the "LIBOR Screen Rate") at approximately 11:00 a.m. London time, on the Quotation Day for such Interest Period; *provided* that if the LIBOR Screen Rate shall not be available at such time for such Interest Period (an "Impacted Interest Period") with respect to the applicable currency, the Eurocurrency Base Rate shall be the Interpolated Rate at such time, subject to Section 3.3.

"**Eurocurrency Loan**" means a Loan which, except as otherwise provided in Section 2.11, bears interest at the applicable Eurocurrency Rate.

"**Eurocurrency Payment Office**" of the Agent shall mean, for each of the Agreed Currencies, the office, branch or affiliate of the Agent, specified from time to time as the "Eurocurrency Payment Office" for such Agreed Currency by the Agent to the Borrowers and each Lender.

"**Eurocurrency Rate**" means, with respect to any Eurocurrency Advance for any Interest Period, an interest rate per annum equal to the sum of (i) the Adjusted Eurocurrency Base Rate for such Interest Period *plus* (ii) the Applicable Margin.

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

"**Exchange Rate**" means, on any day, with respect to any Foreign Currency, the rate at which such Foreign Currency may be exchanged into Dollars, as set forth at approximately 11:00 a.m., local time, on such date on the Reuters World Currency Page for such Foreign Currency. In the event that such rate does not appear on any Reuters World Currency Page, the Exchange Rate with respect to such Foreign Currency shall be determined by reference to such other publicly available service for displaying exchange rates as may be reasonably selected by the Agent or, in the event no such service is selected, such Exchange Rate shall instead be calculated on the basis of the arithmetical mean of the buy and sell spot rates of exchange of the Agent for such Foreign Currency on the London market at 11:00 a.m., local time, on such date for the purchase of Dollars with such Foreign Currency, for delivery two (2) Business Days later; *provided*, that if at the time of any such determination, for any reason, no such spot rate is being quoted, the Agent, after consultation with the Company, may use any reasonable method it deems appropriate to determine such rate, and such determination shall be conclusive absent manifest error.

"**Exchange Rate Date**" means, if on such date any outstanding Revolving Loan or Facility LC is (or any Revolving Loan or Facility LC that has been requested at such time would be) denominated in a currency other than Dollars, each of:

(a) the last Business Day of each calendar quarter,

(b) each date (with such date to be reasonably determined by the Agent) that is on or about the date of (i) a Borrowing Notice or a Conversion/Continuation Notice with respect to

Revolving Loans or (ii) each request for the issuance or Modification of any Facility LC or the extension of any Swing Line Loan, and

(c) if a Default has occurred and is continuing, any other Business Day designated as an Exchange Rate Date by the Agent in its sole discretion.

"**Excluded Swap Obligation**" means, with respect to any Loan Party, any Specified Swap Obligation if, and to the extent that, all or a portion of the guarantee of such Loan Party of, or the grant by such Loan Party of a security interest to secure, such Specified Swap Obligation (or any guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) (a) by virtue of such Loan Party's failure for any reason to constitute an ECP at the time the guarantee of such Loan Party or the grant of such security interest becomes or would become effective with respect to such Specified Swap Obligation or (b) in the case of a Specified Swap Obligation subject to a clearing requirement pursuant to Section 2(h) of the Commodity Exchange Act (or any successor provision thereto), because such Loan Party is a "financial entity," as defined in Section 2(h)(7)(C)(i) of the Commodity Exchange Act (or any successor provision thereto), at the time the guarantee of such Loan Party becomes or would become effective with respect to such related Specified Swap Obligation. If a Specified Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Specified Swap Obligation that is attributable to swaps for which such guarantee or security interest is or becomes illegal.

"**Excluded Taxes**" means, in the case of each Lender or applicable Lending Installation and the Agent, (a) taxes imposed on its overall net income, and franchise taxes imposed on it, by (i) the jurisdiction under the laws of which such Lender or the Agent is incorporated or organized or (ii) the jurisdiction in which the Agent's or such Lender's principal executive office or such Lender's applicable Lending Installation is located, and (b) taxes imposed by FATCA.

"**Exhibit**" refers to an exhibit to this Agreement, unless another document is specifically referenced.

"**Existing Credit Agreement**" is defined in the Recitals to this Agreement.

"**Existing Foreign Law Pledge Agreement**" is defined in Section 6.21(g).

"**Existing Loan Documents**" is defined in the Recitals to this Agreement.

"**Existing Loans**" means, collectively, the Existing Term Loans and the Existing Revolving Loans.

"**Existing Letters of Credit**" is defined in Section 2.19.13.

"**Existing Revolving Loans**" is defined in Section 2.1(a).

"**Existing Term Loans**" is defined in Section 2.2(a).

"**Facility LC**" is defined in Section 2.19.1.

"**Facility LC Application**" is defined in Section 2.19.3.

"**Facility LC Collateral Account**" is defined in Section 2.19.11.

"**FATCA**" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (and any amended or successor version that is substantively comparable, but only if the requirements in such amended or successor version for avoiding the withholding are not materially more onerous than the requirements in the current version), any current or future regulations or official interpretations thereof, and any agreement entered into pursuant to Section 1471(b)(1) of the Code

"**Federal Funds Effective Rate**" means, for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Agent from three Federal funds brokers of recognized standing selected by it.

"**Financial Officer**" of any corporation means the chief financial officer, principal accounting officer, treasurer or controller of such corporation.

"**Floating Rate**" means, for any day, a rate per annum equal to (i) the Alternate Base Rate for such day *plus* (ii) the Applicable Margin, in each case changing when and as the Alternate Base Rate changes.

"**Floating Rate Advance**" means an Advance which, except as otherwise provided in Section 2.11, bears interest at the Floating Rate.

"**Floating Rate Loan**" means a Loan which, except as otherwise provided in Section 2.11, bears interest at the Floating Rate.

"**Foreign Currency**" means any Agreed Currency other than Dollars.

"**Foreign Law Pledge Agreement**" means any pledge agreement governed by the applicable local law with respect to a Material Foreign Subsidiary, a Foreign Subsidiary Borrower or any other Foreign Subsidiary the Equity Interests of which are required to be pledged hereunder or were pledged (or the pledge of which was reaffirmed) pursuant to the Existing Credit Agreement, in a form reasonably acceptable to the Agent, in each case, as it may be amended, restated, supplemented or modified and in effect from time to time. The initial Foreign Law Pledge Agreements in effect as of the Closing Date are set forth on Schedule 1.4 hereto.

"**Foreign Law Pledgor**" means the Company and each Subsidiary that has executed a Foreign Law Pledge Agreement prior to the Closing Date or executes a Foreign Law Pledge Agreement pursuant to Section 6.21(b). The initial Foreign Law Pledgors on the Closing Date are identified as such in Schedule 1.4 hereto.

"**Foreign Pension Plan**" means any plan, scheme, fund (including any superannuation fund) or other similar program established, sponsored or maintained outside the United States by the Company or any one or more of its Subsidiaries primarily for the benefit of employees of the Company or such Subsidiaries residing outside the United States, which plan, fund or other similar program provides, or results in, retirement income, a deferral of income in contemplation of retirement or payments to be made upon termination of employment, and which plan is not subject to ERISA or the Code.

"**Foreign Subsidiary**" means any Subsidiary of the Company that is not a Domestic Subsidiary.

"**Foreign Subsidiary Borrower**" means any Dutch Borrower or UK Borrower.

"**Fund**" means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business.

"**GAAP**" means generally accepted accounting principles as in effect from time to time in the United States.

"**Governmental Authority**" means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government and any group or body charged with setting financial accounting or regulatory capital rules or standards (including, without limitation, the Financial Accounting Standards Board, the Bank for International Settlements or the Basel Committee on Banking Supervision or any successor or similar authority to any of the foregoing).

"**Guaranteed Subsidiary Obligations**" is defined in Article XVI.

"**Guarantor**" means any Subsidiary Guarantor or the Company in its capacity as a guarantor under its Guaranty in Article XVI hereof.

"**Guaranty**" means any Subsidiary Guaranty or the guaranty of the Company set forth in Article XVI hereof.

"**Historical Financial Statements**" is defined in Section 4.1(a)(viii).

"**Holders of Secured Obligations**" means (i) the holders of the Secured Obligations from time to time, including, without limitation, the Agent, each Arranger, the Lenders, the LC Issuer, the Swing Line Lender and each of their respective Affiliates and including each Lender (or Affiliate thereof) in respect of all Rate Management Obligations and Banking Services Obligations of the Company or any of its Subsidiaries owing to such Lender (or Affiliate) and (ii) each such holder's respective successors, transferees and assigns.

"**Holiday Quarter**" means any quarter for which the Leverage Ratio shall be permitted to be up to 4.25 to 1.00 in accordance with the parameters set forth in 6.19.1(a), or 4.00 to 1.00 in accordance with the parameters set forth in Section 6.19.1(b).

"**Impacted Interest Period**" is defined in the definition of "Eurocurrency Base Rate."

"**Increasing Lender**" is defined in Section 2.5(c).

"**Incremental Term Loan**" is defined in Section 2.5(c).

"**Incremental Term Loan Amendment**" is defined in Section 2.5(c).

"**Incremental Term Loan Commitment**" is defined in the definition of "Term Loan Commitment."

"**Indebtedness**" of a Person means (without duplication) such Person's (i) obligations for borrowed money, (ii) obligations representing the deferred purchase price of Property or services (other than accounts payable arising in the ordinary course of such Person's business payable on terms customary in the trade), (iii) obligations, whether or not assumed, secured by Liens or payable out of the proceeds or production from Property now or hereafter owned or acquired by such Person, (iv) obligations which are evidenced by

notes, acceptances, or other instruments, (v) obligations of such Person to purchase securities or other Property arising out of or in connection with the sale of the same or substantially similar securities or Property, (vi) Capitalized Lease Obligations, (vii) Receivables Transaction Attributed Indebtedness, (viii) reimbursement obligations with respect to standby Letters of Credit, including contingent reimbursement obligations with respect to undrawn standby Letters of Credit, (ix) Net Mark-to-Market Exposure under Rate Management Transactions, (x) all liabilities and obligations of the types described in the preceding clauses (i) through (ix) of any other Person that such Person has assumed or guaranteed or that are secured by a Lien on any Property of such Person (*provided* that if any such liability or obligation of such other Person is not the legal liability of such Person, the amount thereof shall be deemed to be the lesser of (1) the actual amount of such liability or obligation and (2) the book value of such Person's Property securing such liability or obligation) and (xi) any other obligation for borrowed money or other financial accommodation which in accordance with GAAP would be shown as a liability on the consolidated balance sheet of such Person. The Indebtedness of such Person shall include the Indebtedness of any partnership in which such Person is a general partner.

"**Ineligible Institution**" means (a) a natural person, (b) a Defaulting Lender, (c) the Company, any of its Subsidiaries or any of its Affiliates or (d) a company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural person or relative(s) thereof.

"**Initial Term Loan**" is defined in Section 2.2(a).

"**Initial Term Loan Commitment**" is defined in the definition of "Term Loan Commitment".

"**Intellectual Property Security Agreements**" means the intellectual property security agreements as the Company or any Domestic Subsidiary Guarantor may from time to time make in favor of the Agent for the benefit of the Holders of Secured Obligations, in each case as the same may be amended, restated, supplemented or otherwise modified from time to time.

"**Interest Coverage Ratio**" means, at any date of determination, for the period of four consecutive fiscal quarters of the Company most recently ended as of such date, the ratio of (i) Consolidated EBITDA to (ii) Consolidated Interest Expense calculated for the Company and its Subsidiaries on a consolidated basis. For purposes of this definition, if at any time the Interest Coverage Ratio is being determined the Company or any Subsidiary shall have completed a Permitted Acquisition or an Asset Sale since the beginning of the relevant four fiscal quarter period, the Interest Coverage Ratio shall be determined on a pro forma basis reasonably acceptable to the Agent after giving effect to such Acquisition or Asset Sale, as if such Permitted Acquisition or Asset Sale, and any related incurrence or repayment of Indebtedness, had occurred at the beginning of such period.

"**Interest Period**" means, with respect to a Eurocurrency Advance, a period of one, two, three or six months (or, if deposits in the relevant Agreed Currency in the Eurocurrency interbank market are available to all Revolving Lenders (in the case of Revolving Loans) or Term Loan Lenders (in the case of Term Loans) for such period, as determined by each such Lender in its sole discretion, twelve months) commencing on a Business Day selected by the applicable Borrower pursuant to this Agreement. Such Interest Period shall end on the day which corresponds numerically to such date one, two, three or six months (or, if applicable, twelve months) thereafter, *provided*, *however*, that if there is no such numerically corresponding day in such next, second, third or sixth (or, if applicable, twelfth) succeeding month, such Interest Period shall end on the last Business Day of such next, second, third or sixth (or, if applicable, twelfth) succeeding month. If an Interest Period would otherwise end on a day which is not a Business Day, such Interest Period shall end on the next succeeding Business Day, *provided*, *however*, that if said next succeeding Business Day falls in a new calendar month, such Interest Period shall end on the immediately preceding Business Day.

"**Interpolated Rate**" means, at any time, the rate per annum determined by the Agent (which determination shall be conclusive and binding absent manifest error) to be equal to the rate that results from interpolating on a linear basis between: (a) the LIBOR Screen Rate for the longest period (for which the LIBOR Screen Rate is available for the applicable currency) that is shorter than the Impacted Interest Period and (b) the LIBOR Screen Rate for the shortest period (for which the LIBOR Screen Rate is available for the applicable currency) that exceeds the Impacted Interest Period, in each case, at such time.

"**Investment**" of a Person means any loan, advance (other than commission, travel and similar advances to officers and employees made in the ordinary course of business), extension of credit (other than accounts receivable arising in the ordinary course of business on terms customary in the trade) or contribution of capital by such Person; stocks, bonds, mutual funds, partnership interests, notes, debentures or other securities owned by such Person; any deposit accounts and certificate of deposit owned by such Person; and structured notes, derivative financial instruments and other similar instruments or contracts owned by such Person.

"**JPMorgan**" means JPMorgan Chase Bank, N.A., a national banking association, in its individual capacity, and its successors.

"**Latest Maturity Date**" means latest of (i) the stated Revolving Loan Termination Date or (ii) any later maturity date with respect to any tranche of Incremental Term Loans issued hereunder.

"**LC Fee**" is defined in Section 2.19.4.

"**LC Issuer**" means (i) JPMorgan (or any subsidiary or affiliate of JPMorgan designated by JPMorgan) in its separate capacity as an issuer of Facility LCs hereunder with respect to each Facility LC issued or deemed issued by JPMorgan upon the Company's request and (ii) any other Lender (other than JPMorgan) selected by the Company with the consent of such Lender in such Lender's separate capacity as an issuer of Facility LCs hereunder with respect to any and all Facility LCs issued or deemed issued by such Lender in its sole discretion upon the Company's request; *provided,* that, unless the Agent shall otherwise consent, there shall not at any time be more than three (3) Lenders constituting LC Issuers hereunder. All references contained in this Agreement and the other Loan Documents to "the LC Issuer" shall be deemed to apply equally to each of the institutions referred to in clauses (i) and (ii) of this definition in their respective capacities as issuers of any and all Facility LCs issued by each such institution.

"**LC Obligations**" means, at any time, the sum, without duplication, of (i) the aggregate undrawn stated Dollar Amount under all Facility LCs outstanding at such time *plus* (ii) the aggregate unpaid Dollar Amount at such time of all Reimbursement Obligations. The LC Obligations of any Lender at any time shall be its Revolving Loan Pro Rata Share of the total LC Obligations at such time.

"**LC Payment Date**" is defined in Section 2.19.5.

"**Lenders**" means the Revolving Lenders, the Term Loan Lenders and, unless otherwise specified, the Swing Line Lender. For the avoidance of doubt, the term "Lenders" excludes Departing Lenders.

"**Lending Installation**" means, with respect to a Lender or the Agent, the office, branch, subsidiary or affiliate of such Lender or the Agent provided on an administrative questionnaire furnished to the Agent or otherwise selected by such Lender or the Agent pursuant to Section 2.17.

"**Letter of Credit**" of a Person means a letter of credit or similar instrument which is issued upon the application of such Person or upon which such Person is an account party or for which such Person is in any way liable.

"**Leverage Ratio**" means, at any date of determination, the ratio of Consolidated Indebtedness on such date to Consolidated EBITDA for the period of four consecutive fiscal quarters of the Company most recently ended as of such date. As of the end of any fiscal quarter (but not for two successive quarters and excluding any Holiday Quarter), the Company may use Net Consolidated Indebtedness instead of Consolidated Indebtedness to determine the Leverage Ratio; *provided* that as of such date of determination no Loans (other than Term Loans) are outstanding under this Agreement. For purposes of this definition, if at any time the Leverage Ratio is being determined the Company or any Subsidiary shall have completed a Permitted Acquisition or an Asset Sale since the beginning of the relevant four fiscal quarter period, the Leverage Ratio shall be determined on a pro forma basis reasonably acceptable to the Agent after giving effect to such Acquisition or Asset Sale, as if such Permitted Acquisition or Asset Sale, any related incurrence or repayment of Indebtedness, had occurred at the beginning of such period.

"**LIBOR Screen Rate**" is defined in the definition of "Eurocurrency Base Rate".

"**Lien**" means any lien (statutory or other), security interest, mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including, without limitation, the interest of a vendor or lessor under any conditional sale, Capitalized Lease or other title retention agreement).

"**Loan**" means a Revolving Loan, a Term Loan or a Swing Line Loan.

"**Loan Documents**" means this Agreement, the Facility LC Applications, any Notes issued pursuant to Section 2.13, the Collateral Documents and the Guarantees.

"**Loan Party**" means each Borrower, each Guarantor and each Foreign Law Pledgor.

"**Material Adverse Effect**" means a material adverse effect on (i) the business, assets, operations or financial condition of the Company and its Subsidiaries taken as a whole, (ii) the ability of the Company to perform its obligations under the Loan Documents to which it is a party, or (iii) the validity or enforceability of any of the Loan Documents or the rights or remedies of the Agent, the LC Issuer or the Lenders thereunder.

"**Material Domestic Subsidiary**" means (i) any Domestic Subsidiary directly holding any Equity Interest in a Material Foreign Subsidiary, (ii) any Domestic Subsidiary directly or indirectly holding any Equity Interest in a Foreign Subsidiary Borrower or (iii) any Domestic Subsidiary (on a consolidated basis with its Subsidiaries) either (a) having assets (other than Equity Interests in Material Foreign Subsidiaries) which represent 10% or more of the Consolidated Assets of the Company and its Subsidiaries or (b) responsible for 10% or more of the Consolidated Operating Income of the Company and its Subsidiaries. "Material Domestic Subsidiary" shall not include any special-purpose Subsidiary created to engage solely in a Qualified Receivables Transaction. Schedule 1.2 lists all of the Company's Material Domestic Subsidiaries and their respective jurisdictions of organization as of the Closing Date.

"**Material Foreign Subsidiary**" means any Foreign Subsidiary any Equity Interests of which are held by the Company or by any Domestic Subsidiary and that, on a consolidated basis with its Subsidiaries, directly or indirectly, either (a) has assets which represent 10% or more of the Consolidated Assets of the Company and its Subsidiaries or (b) is responsible for 10% or more of the Consolidated Operating Income

of the Company and its Subsidiaries. Schedule 1.3 lists all of the Company's Material Foreign Subsidiaries and their respective jurisdictions of organization as of the Closing Date.

"**Material Indebtedness**" means Indebtedness (other than Rate Management Obligations) in an outstanding principal amount of $10,000,000 or more in the aggregate (or the equivalent thereof in any currency other than Dollars).

"**Material Indebtedness Agreement**" means any agreement under which any Material Indebtedness was created or is governed or which provides for the incurrence of Indebtedness in an amount which would constitute Material Indebtedness (whether or not an amount of Indebtedness constituting Material Indebtedness is outstanding thereunder).

"**Material Subsidiary**" means (i) any Subsidiary, or group of Subsidiaries on a combined basis, that constitutes a Substantial Portion of the Property of the Company and its Subsidiaries or (ii) any Subsidiary that, directly or indirectly, holds any Equity Interest in a Foreign Subsidiary Borrower.

"**Maximum Foreign Currency Amount**" means $250,000,000.

"**Maximum Foreign Subsidiary Borrower Amount**" means $250,000,000.

"**Maximum Rate**" is defined in Section 9.16.

"**Modify**" and "Modification" are defined in Section 2.19.1.

"**Moody's**" means Moody's Investors Service, Inc. and its successors.

"**Moody's Rating**" means, at any time, the rating issued by Moody's and then in effect with respect to the Company's senior unsecured long-term debt securities without third-party credit enhancement.

"**Multiemployer Plan**" means a Plan maintained pursuant to a collective bargaining agreement or any other arrangement to which the Company or any member of the Controlled Group is a party to which more than one employer is obligated to make contributions.

"**Multiple Employer Plan**" means a Plan that has two or more contributing sponsors (including the Company or any member of the Controlled Group) at least two of whom are not under common control, as such plan is described in Sections 4062 and 4064 of ERISA.

"**Net Cash Proceeds**" means, with respect to any Asset Sale, the cash proceeds (including cash proceeds subsequently received (as and when received) in respect of non-cash consideration initially received), net of (i) selling expenses (including reasonable broker's fees or commissions, legal fees, transfer and similar taxes and the Company's good faith estimate of income taxes paid or payable in connection with such sale), (ii) amounts provided as a reserve, in accordance with GAAP, against any liabilities under any indemnification obligations associated with such Asset Sale (*provided* that, to the extent and at the time any such amounts are released from such reserve, such amounts shall constitute Net Cash Proceeds), (iii) the Company's good faith estimate of payments required to be made with respect to unassumed liabilities relating to the assets sold within 90 days of such Asset Sale (*provided* that, to the extent such cash proceeds are not used to make payments in respect of such unassumed liabilities within 90 days of such Asset Sale, such cash proceeds shall constitute Net Cash Proceeds) and (iv) the principal amount, premium or penalty, if any, interest and other amounts on any Indebtedness for borrowed money which to the extent permitted hereunder

and under the Collateral Documents is secured by the asset sold in such Asset Sale and which is repaid with such proceeds (other than any such Indebtedness assumed by the purchaser of such asset).

"**Net Consolidated Indebtedness**" means at any time (i) Consolidated Indebtedness *minus* (ii) the Qualified Cash Amount.

"**Net Mark-to-Market Exposure**" of a Person means, as of any date of determination, the excess (if any) of all unrealized losses over all unrealized profits of such Person arising from Rate Management Transactions. "Unrealized losses" means the fair market value of the cost to such Person of replacing such Rate Management Transaction as of the date of determination (assuming the Rate Management Transaction were to be terminated as of that date), and "unrealized profits" means the fair market value of the gain to such Person of replacing such Rate Management Transaction as of the date of determination (assuming such Rate Management Transaction were to be terminated as of that date).

"**Non-U.S. Lender**" is defined in Section 3.5.4.

"**Note**" is defined in Section 2.13.

"**Obligations**" means all unpaid principal of and accrued and unpaid interest on the Loans, all Reimbursement Obligations, all accrued and unpaid fees and all expenses, reimbursements, indemnities and other obligations of the Borrowers to the Lenders or to any Lender, the Agent, the LC Issuer or any indemnified party arising under the Loan Documents (excluding the Parallel Debt). The term includes, without limitation, all interest, charges, expenses, fees, attorneys' fees and disbursements, paralegals' fees (in each case whether or not allowed or allowable), and any other sum chargeable to the Borrowers or any other Loan Party under this Agreement or any other Loan Document.

"**OFAC**" means the Office of Foreign Assets Control of the U.S. Department of Treasury.

"**Opening Pro Forma Compliance Certificate**" is defined in Section 4.1(a)(x).

"**Operating Lease**" of a Person means any lease of Property (other than a Capitalized Lease) by such Person as lessee which has an original term (including any required renewals and any renewals effective at the option of the lessor) of one year or more.

"**Other Connection Taxes**" means, with respect to any recipient, taxes imposed as a result of a present or former connection between such recipient and the jurisdiction imposing such taxes (other than a connection arising from such recipient having executed, delivered, enforced, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, or engaged in any other transaction pursuant to, or enforced, any Loan Document, or sold or assigned an interest in any Loan Document).

"**Other Taxes**" is defined in Section 3.5.2 and excludes UK Tax.

"**Outstanding Revolving Credit Exposure**" means, as to any Lender at any time, the sum of (i) the aggregate principal Dollar Amount of its Revolving Loans outstanding at such time, *plus* (ii) an amount equal to its Revolving Loan Pro Rata Share of the aggregate principal amount of Swing Line Loans outstanding at such time, *plus* (iii) an amount equal to its Revolving Loan Pro Rata Share of the LC Obligations at such time.

"**Overnight Foreign Currency Rate**" means, for any amount payable in a Foreign Currency, the rate of interest per annum as determined by the Agent at which overnight or weekend deposits in the relevant currency (or if such amount due remains unpaid for more than three (3) Business Days, then for such other period of time as the Agent may elect) for delivery in immediately available and freely transferable funds would be offered by the Agent to major banks in the interbank market upon request of such major banks for the relevant currency as determined above and in an amount comparable to the unpaid principal amount of the related Credit Event, plus any taxes, levies, imposts, duties, deductions, charges or withholdings imposed upon, or charged to, the Agent by any relevant correspondent bank in respect of such amount in such relevant currency.

"**Parallel Debt**" is defined in Section 10.17.1.

"**Parent**" means, with respect to any Lender, any Person as to which such Lender is, directly or indirectly, a subsidiary.

"**Participants**" is defined in Section 12.2.1.

"**Payment Date**" means the first day of each March, June, September and December of each year.

"**PBGC**" means the Pension Benefit Guaranty Corporation, or any successor thereto.

"**Permitted Acquisition**" means any Acquisition made by the Company or any of its Subsidiaries, *provided* that, (a) as of the date of the consummation of such Acquisition, no Default or Unmatured Default shall have occurred and be continuing or would result from such Acquisition, and the representation and warranty contained in Section 5.11 shall be true both before and after giving effect to such Acquisition, (b) such Acquisition is consummated on a non-hostile basis pursuant to a negotiated acquisition agreement approved by the board of directors or other applicable governing body of the seller or entity to be acquired, and no material challenge to such Acquisition (excluding the exercise of appraisal rights) shall be pending or threatened by any shareholder or director of the seller or entity to be acquired, (c) the business to be acquired in such Acquisition is reasonably related to industrial manufacturing and distribution (including the rental of industrial equipment and the provision of services related to industrial equipment), (d) as of the date of the consummation of such Acquisition, all material approvals required in connection therewith shall have been obtained, (e) the Company shall have furnished to the Agent a certificate demonstrating in reasonable detail compliance with the financial covenants contained in Section 6.19 for such period (in the case of Section 6.19.1, using the Leverage Ratio level that will be applicable at the end of the fiscal quarter in which such Acquisition occurs in light of the circumstances at such time) in each case, calculated on a pro forma basis reasonably acceptable to the Agent after giving effect to such Acquisition, which calculations shall be made in good faith by a Financial Officer in a manner consistent with Regulation S-X of the Exchange Act or shall otherwise be reasonably identifiable and factually supportable, as if such Acquisition, including the consideration therefor, had been consummated on the first day of such period, and (f) if such Acquisition is a Specified Acquisition, the Company shall have furnished to the Agent reasonably detailed projections of calculations of the financial covenants contained in Sections 6.19.1 and 6.19.2 on a pro forma basis reasonably acceptable to the Agent after giving effect to such Acquisition, which calculations shall be made in good faith by a Financial Officer in a manner consistent with Regulation S-X of the Exchange Act or shall otherwise be reasonably identifiable and factually supportable, for the then-current fiscal quarter *and* the following three fiscal quarters that demonstrate projected compliance with such covenants for such periods.

"**Permitted Factoring Transaction**" means (a) a sale by the Company or any Subsidiary of accounts receivable pursuant to an accelerated payment program established by a customer of the Company or such Subsidiary or (b) any other sale by any Foreign Subsidiary to any Person of accounts receivable or notes

receivable; *provided,* that the aggregate face amount of accounts receivable and notes receivable subject to all such sales does not exceed during any fiscal year the greater of (x) 2.5% of Consolidated Assets of the Company and its Subsidiaries (measured as of the end of the most recent fiscal year) and (y) $60,000,000.

"**Permitted Refinancing Subordinated Indebtedness**" means any replacement, renewal, refinancing or extension of any Subordinated Indebtedness permitted by this Agreement with Subordinated Indebtedness (subject to the terms and conditions set forth in the definition thereof) that (i) does not exceed the aggregate principal amount the Subordinated Indebtedness being replaced, renewed, refinanced or extended and (ii) does not have a maturity date or any installment, sinking fund, mandatory redemption or other principal payment due before the earlier of (a) the date 180 days after the Latest Maturity Date or (b) the date of any comparable principal payment under the terms of the Subordinated Indebtedness being replaced, renewed, refinanced or extended.

"**Person**" means any natural person, corporation, firm, joint venture, partnership, limited liability company, association, enterprise, trust or other entity or organization, or any government or political subdivision or any agency, department or instrumentality thereof.

"**Plan**" means an employee pension benefit plan which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code as to which the Company or any member of the Controlled Group may have any liability.

"**Pounds Sterling**" means the lawful currency of the United Kingdom.

"**Pricing Leverage Ratio**" is defined in the Pricing Schedule.

"**Pricing Schedule**" means the Schedule attached hereto identified as such.

"**Prime Rate**" means the rate of interest per annum publicly announced from time to time by JPMorgan as its prime rate in effect at its principal office in New York City; each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective.

"**Property**" of a Person means any and all property, whether real, personal, tangible, intangible, or mixed, of such Person, or other assets owned, leased or operated by such Person.

"**Pro Rata Share**" means, with respect to any Lender, the percentage obtained by dividing (i) the sum of such Lender's Revolving Loan Commitment and Term Loans at such time by (ii) the sum of the Aggregate Revolving Loan Commitment and the aggregate amount of all of the Term Loans at such time; *provided*, *however*, that if all of the Revolving Loan Commitments are terminated pursuant to the terms of this Agreement, then "Pro Rata Share" means the percentage obtained by dividing (a) the sum of such Lender's Outstanding Revolving Credit Exposure and Term Loans at such time by (b) the sum of the Aggregate Outstanding Revolving Credit Exposure and the aggregate amount of all of the Term Loans at such time; *provided, further,* that in the case of Section 2.21, when a Defaulting Lender shall exist, "Pro Rata Share" shall mean the percentage of the total Revolving Loan Commitment and Term Loans (disregarding any Defaulting Lender's Revolving Loan Commitment) represented by such Lender's Revolving Loan Commitment and Term Loans. If the Revolving Loan Commitments have terminated or expired, the Pro Rata Shares shall be determined based upon the Revolving Loan Commitments most recently in effect, giving effect to any assignments and to any Lender's status as a Defaulting Lender at the time of determination.

"**Purchasers**" is defined in Section 12.3.1.

"**Qualified Cash Amount**" means an amount equal to the excess of (a) the sum of (i) 100% of the aggregate amount of unrestricted cash or Cash Equivalents of the Company and its Domestic Subsidiaries free and clear of all Liens other than Liens in favor of the Agent for the benefit of the Holders of Secured Obligations and nonconsensual Liens permitted by Section 6.15 and (ii) 75% of the aggregate amount of unrestricted cash or Cash Equivalents of the Company's Foreign Subsidiaries free and clear of all Liens other than Liens in favor of the Agent for the benefit of the Holders of Secured Obligations and nonconsensual Liens permitted by Section 6.15 *over* (b) $5,000,000.

"**Qualified ECP Guarantor**" means, in respect of any Specified Swap Obligation, each Person that has total assets exceeding $10,000,000 at the time the relevant guarantee or grant of the relevant security interest becomes or would become effective with respect to such Specified Swap Obligation or such other Person as constitutes an ECP and can cause another Person to qualify as an ECP at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

"**Qualified Receivables Transaction**" means any transaction or series of transactions entered into by the Company or any Subsidiary pursuant to which the Company or any Subsidiary may sell, convey or otherwise transfer to a newly-formed Subsidiary or other special-purpose entity, or any other Person, any accounts or notes receivable and rights related thereto, *provided* that (i) all of the terms and conditions of such transaction or series of transactions, including without limitation the amount and type of any recourse to the Company or any Subsidiary with respect to the assets transferred, are reasonably acceptable to the Agent and the Required Lenders and (ii) the Indebtedness and/or Receivables Transaction Attributed Indebtedness incurred in respect of all such transactions or series of transactions does not exceed 7.5% of Consolidated Assets of the Company and its Subsidiaries (measured as of the end of the most recent fiscal quarter) at any time outstanding.

"**Quotation Day**" means, with respect to any Eurocurrency Advance and any Interest Period, the Business Day that is generally treated as the rate fixing day by market practice in the applicable interbank market, as determined by the Agent.

"**Rate Management Obligations**" of a Person means any and all obligations of such Person, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under (i) any and all Rate Management Transactions, and (ii) any and all cancellations, buy backs, reversals, terminations or assignments of any Rate Management Transactions.

"**Rate Management Transaction**" means any transaction (including an agreement with respect thereto) now existing or hereafter entered by the Company or any Subsidiary which is a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, forward transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of these transactions) or any combination thereof, whether linked to one or more interest rates, foreign currencies, commodity prices, equity prices or other financial measures.

"**Receivables Transaction Attributed Indebtedness**" means the amount of obligations outstanding under the legal documents entered into as part of any Qualified Receivables Transaction on any date of determination that would be characterized as principal if such Qualified Receivables Transaction were structured as a secured lending transaction rather than as a purchase.

"**Regulation**" means the Council of the European Union Regulation No. 1346/2000 on Insolvency Proceedings.

"**Regulation D**" means Regulation D of the Board as from time to time in effect and any successor thereto or other regulation or official interpretation of said Board relating to reserve requirements applicable to member banks of the Federal Reserve System.

"**Regulation U**" means Regulation U of the Board as from time to time in effect and any successor or other regulation or official interpretation of said Board relating to the extension of credit by banks for the purpose of purchasing or carrying margin stocks applicable to member banks of the Federal Reserve System.

"**Reimbursement Obligations**" means, at any time, the aggregate of all obligations of the Company then outstanding under Section 2.19 to reimburse the LC Issuer for amounts paid by the LC Issuer in respect of any one or more drawings under Facility LCs.

"**Reportable Event**" means a reportable event as defined in Section 4043 of ERISA and the regulations issued under such section, with respect to a Plan, excluding, however, such events as to which the PBGC has by regulation waived the requirement of Section 4043(a) of ERISA that it be notified within 30 days of the occurrence of such event, *provided*, *however*, that a failure to meet the minimum funding standard of Section 412 of the Code and of Section 302 of ERISA shall be a Reportable Event regardless of the issuance of any such waiver of the notice requirement in accordance with either Section 4043(a) of ERISA or Section 412(c) of the Code.

"**Required Lenders**" means Lenders in the aggregate having greater than 50% of the sum of (i) the unused Aggregate Revolving Loan Commitment, (ii) the Aggregate Outstanding Revolving Credit Exposure and (iii) the Term Loans at such time.

"**Required Revolving Lenders**" means Revolving Lenders in the aggregate having greater than 50% of the sum of the unused Aggregate Revolving Loan Commitment and the Aggregate Outstanding Revolving Credit Exposure at such time.

"**Revolving Lender**" means any lending institution listed on the Commitment Schedule or in any Commitment Supplement delivered hereunder having a Revolving Loan Commitment, and its respective successors and assigns.

"**Revolving Loan**" means, with respect to a Lender, such Lender's loan made pursuant to its commitment to lend set forth in Section 2.1 (or any conversion or continuation thereof).

"**Revolving Loan Commitment**" means, for each Revolving Lender, the obligation of such Revolving Lender from and after the Closing Date to make Revolving Loans to the Borrowers, and participate in Facility LCs issued upon the application of and Swing Line Loans made at the request of the Company, in an aggregate amount not exceeding the amount set forth on the Commitment Schedule or in any Commitment Supplement delivered pursuant to Section 2.5(c), as such Revolving Loan Commitment may be modified as a result of any assignment that has become effective pursuant to Section 12.3.2 or as otherwise modified from time to time pursuant to the terms hereof.

"**Revolving Loan Facility**" means the portion of the credit facility evidenced by this Agreement consisting of the several Revolving Loans, Swing Line Loans and Facility LCs.

"**Revolving Loan Pro Rata Share**" means, at any time, with respect to any Revolving Lender, the percentage obtained by dividing (i) such Lender's Revolving Loan Commitment at such time by (ii) the Aggregate Revolving Loan Commitment at such time; *provided*, *however*, that if all of the Revolving Loan Commitments are terminated pursuant to the terms of this Agreement, then "Revolving Loan Pro Rata Share" means the percentage obtained by dividing (a) such Lender's Outstanding Revolving Credit Exposure at such time by (b) the Aggregate Outstanding Revolving Credit Exposure at such time; *provided, further,* that in the case of Section 2.21, when a Defaulting Lender shall exist, "Revolving Loan Pro Rata Share" shall mean the percentage of the total Revolving Loan Commitments (disregarding any Defaulting Lender's Revolving Loan Commitment) represented by such Lender's Revolving Loan Commitment. If the Revolving Loan Commitments have terminated or expired, the Revolving Loan Pro Rata Share shall be determined based upon the Revolving Loan Commitments most recently in effect, giving effect to any assignments and to any Lender's status as a Defaulting Lender at the time of determination.

"**Revolving Loan Termination Date**" means July 18, 2018, or any earlier date on which the Aggregate Revolving Loan Commitment is reduced to zero or otherwise terminated pursuant to the terms hereof.

"**S&P**" means Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business.

"**S&P Rating**" means, at any time, the rating issued by S&P and then in effect with respect to the Company's senior unsecured long-term debt securities without third-party credit enhancement.

"**Sale and Leaseback Transaction**" means any sale or other transfer of Property by any Person with the intent to lease such Property as lessee.

"**Sanctioned Country**" means a country or territory which is at any time subject to Sanctions.

"**Sanctions**" means:

(a) economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (i) the U.S. government and administered by OFAC, (ii) the United Nations Security Council, (iii) the European Union or (iv) Her Majesty's Treasury of the United Kingdom; and

(b) economic or financial sanctions imposed, administered or enforced from time to time by the U.S. State Department, the U.S. Department of Commerce or the U.S. Department of the Treasury.

"**Sanctions List**" means any of the lists of specifically designated nationals or designated persons or entities (or equivalent) held by the U.S. government and administered by OFAC, the U.S. State Department, the U.S. Department of Commerce or the U.S. Department of the Treasury or the United Nations Security Council or any similar list maintained by the European Union, any other EU Member State or any other U.S. government entity, in each case as the same may be amended, supplemented or substituted from time to time.

"**Schedule**" refers to a specific schedule to this Agreement, unless another document is specifically referenced.

"**Section**" means a numbered section of this Agreement, unless another document is specifically referenced.

"**Secured Obligations**" means, collectively, (i) the Obligations and (ii) subject to the proviso below, all Rate Management Obligations and Banking Services Obligations owing by the Company or any of its Subsidiaries to one or more Lenders or their respective Affiliates; provided that the definition of "Secured Obligations" shall not create or include any guarantee by any Loan Party of (or grant of security interest by any Loan Party to support) any Excluded Swap Obligations of such Loan Party for purposes of determining the obligations of any Loan Party.

"**Security Agreement**" means that certain Second Amended and Restated Pledge and Security Agreement, dated as of July 18, 2013, executed by the Company and the Domestic Subsidiary Guarantors in favor of the Agent, for the benefit of the Holders of Secured Obligations, as may be amended, restated, supplemented or otherwise modified and in effect from time to time.

"**Senior Note Indebtedness**" means (i) Indebtedness of the Company under the 2012 Senior Note Indenture and the 2012 Senior Notes and (ii) any other senior unsecured Indebtedness of the Company or its Subsidiaries under any notes or convertible notes permitted hereunder and issued under an indenture, loan agreement, note purchase agreement or similar governing instrument or document in a registered public offering or a Rule 144A or other private placement transaction; *provided,* that no such Indebtedness shall (i) have a maturity date or any installment, sinking fund, mandatory redemption or other principal payment due before the date 91 days after the Latest Maturity Date or (ii) prohibit, restrict or impose any condition upon the ability of the Company or any Subsidiary to create, incur or permit to exist any Lien upon any of its property or assets in favor of the Agent to secure the Secured Obligations.

"**Senior Notes**" means, collectively (i) the 2012 Senior Notes and (ii) any other senior unsecured notes or convertible notes evidencing Senior Note Indebtedness permitted hereunder, as the same may be amended, restated, supplemented or otherwise modified from time to time in a manner permitted by the terms hereof.

"**Senior Note Documents**" means the (i) the 2012 Senior Notes and the 2012 Senior Notes Indenture and (ii) any other Senior Notes or any indenture, loan or purchase agreement governing such other Senior Notes and any other documents delivered pursuant thereto, as the same may be amended, restated, supplemented or otherwise modified from time to time in a manner permitted by the terms hereof.

"**Single Employer Plan**" means a Plan maintained by the Company or any member of the Controlled Group for employees of the Company or any member of the Controlled Group.

"**Solvent**" means, with respect to any Person on a particular date, that on such date (a) the fair value of the property of such Person is greater than the total amount of liabilities, including contingent liabilities, of such Person; (b) the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured; (c) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay as such debts and liabilities mature; (d) such Person is not engaged in a business or transaction, and is not about to engage in a business or transaction, for which such Person's property would constitute an unreasonably small capital; and (e) such Person is otherwise able to pay its debts as they fall due. The amount of contingent liabilities (such as litigation, guarantees and pension plan liabilities) at any time shall be computed as the amount that, in light of all the facts and circumstances existing at the time, represents the amount that can be reasonably be expected to become an actual or matured liability.

"**Specified Acquisition**" means a Permitted Acquisition with respect to which the aggregate consideration provided by the Company and its Subsidiaries is equal to or greater than $75,000,000.

"**Specified Financing Transactions**" means collectively, (a) the execution and delivery of the Senior Note Indenture and the issuance of the Senior Notes thereunder, (b) the execution and delivery of the Loan Documents, and (c) the execution and delivery of documentation evidencing Senior Note Indebtedness or Subordinated Note Indebtedness of the Company incurred pursuant to Section 6.11(xiv) and the issuance of such Indebtedness.

"**Specified Swap Obligation**" means, with respect to any Loan Party, any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of section 1a(47) of the Commodity Exchange Act or any rules or regulations promulgated thereunder.

"**Statutory Reserve Rate**" means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve, liquid asset, fees or similar requirements (including any marginal, special, emergency or supplemental reserves or other requirements) established by any central bank, monetary authority, the Board, the Financial Conduct Authority, the Prudential Regulation Authority, the European Central Bank or other Governmental Authority for any category of deposits or liabilities customarily used to fund loans in the applicable currency, expressed in the case of each such requirement as a decimal. Such reserve, liquid asset, fees or similar requirements shall include those imposed pursuant to Regulation D. Eurocurrency Loans shall be deemed to be subject to such reserve, liquid asset, fee or similar requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under any applicable law, rule or regulation, including Regulation D. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve, liquid asset or similar requirement.

"**Subordinated Indebtedness**" means Indebtedness of the Company, the payment of which is subordinated to payment of the Obligations and all of the terms and conditions of which are reasonably acceptable to the Agent (including the absence of a maturity date or any installment, sinking fund, mandatory redemption or other principal payment due before at least 180 days after the Latest Maturity Date), *provided* that, for the avoidance of doubt, unsecured Indebtedness that is not contractually subordinated to payment of the Obligations shall not constitute Subordinated Indebtedness.

"**Subordinated Indebtedness Documents**" means any document, agreement or instrument evidencing any Subordinated Indebtedness or entered into in connection with any Subordinated Indebtedness, as the same may be amended, restated, supplemented or otherwise modified from time to time in a manner permitted by the terms hereof.

"**Subsidiary**" of a Person means (i) any corporation more than 50% of the outstanding securities having ordinary voting power of which shall at the time be owned or controlled, directly or indirectly, by such Person or by one or more of its Subsidiaries or by such Person and one or more of its Subsidiaries, or (ii) any partnership, limited liability company, association, joint venture or similar business organization more than 50% of the ownership interests having ordinary voting power of which shall at the time be so owned or controlled. Unless otherwise expressly provided, all references herein to a "Subsidiary" shall mean a Subsidiary of the Company.

"**Subsidiary Borrower Termination**" means a Subsidiary Borrower Termination in substantially the form of Exhibit H hereto.

"**Subsidiary Guarantor**" means each of the Initial Guarantors, each Domestic Subsidiary Guarantor and each Foreign Subsidiary that delivers a Subsidiary Guaranty.

"**Subsidiary Guaranty**" means the Domestic Subsidiary Guaranty or any other guaranty executed and delivered by a Domestic Subsidiary pursuant to Section 6.21 or by a Foreign Subsidiary Borrower pursuant to Section or 16.2.

"**Substantial Portion**" means, with respect to the Property of the Company and its Subsidiaries, Property which represents more than 10% of the Consolidated Assets of the Company and its Subsidiaries or property which is responsible for more than 10% of the consolidated net sales or of the Consolidated Net Income of the Company and its Subsidiaries, in each case, as would be shown in the consolidated financial statements of the Company and its Subsidiaries as at the beginning of the twelve-month period ending with the month in which such determination is made (or if financial statements have not been delivered hereunder for that month which begins the twelve-month period, then the financial statements delivered hereunder for the quarter ending immediately prior to that month).

"**Swing Line Borrowing Notice**" is defined in Section 2.4.2.

"**Swing Line Exposure**" means, at any time, the aggregate principal amount of all Swing Line Loans outstanding at such time. The Swing Line Exposure of any Lender at any time shall be its Revolving Loan Pro Rata Share of the total Swing Line Exposure at such time.

"**Swing Line Lender**" means JPMorgan or such other Lender which may succeed to its rights and obligations as Swing Line Lender pursuant to the terms of this Agreement.

"**Swing Line Loan**" means a Loan made available to the Company by the Swing Line Lender pursuant to Section 2.4.

"**TARGET2**" means the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) payment system (or, if such payment system ceases to be operative, such other payment system (if any) reasonably determined by the Agent to be a suitable replacement) for the settlement of payments in euro.

"**Taxes**" means any and all present or future taxes, duties, levies, imposts, deductions, charges or withholdings imposed on or with respect to any payment made by the Loan Parties under any Loan Document, and any and all liabilities with respect to the foregoing, but excluding Excluded Taxes, Other Taxes and UK Taxes.

"**Term Loan**" means each Initial Term Loan and each Incremental Term Loan, and "Term Loans" means all such Loans collectively.

"**Term Loan Commitment**" means, for each Term Loan Lender, the obligation of such Term Loan Lender (a) to continue to make the Initial Term Loans available to the Company on the Closing Date in an aggregate amount set forth on the Commitment Schedule (an "**Initial Term Loan Commitment**") or (b) to make Incremental Term Loans to the Company on any future Borrowing Date designated with respect to a tranche of Incremental Term Loans in an aggregate amount equal to the amount set forth in any Commitment Supplement delivered pursuant to Section 2.5(c) (an "**Incremental Term Loan Commitment**"), as any such Term Loan Commitment may be modified as a result of any assignment that has become effective pursuant to Section 12.3.2 or as otherwise modified from time to time pursuant to the terms hereof.

"**Term Loan Facility**" means the portion of the credit facility evidenced by this Agreement consisting of the Term Loans.

"**Term Loan Lender**" means any lending institution listed on the Commitment Schedule or in any Commitment Supplement delivered hereunder as having a Term Loan Commitment, and its respective successors and assigns.

"**Term Loan Pro Rata Share**" means, with respect to any Term Loan Lender, the percentage obtained by dividing (i) such Lender's Term Loans at such time by (ii) the aggregate amount of the Term Loans at such time.

"**Transferee**" is defined in Section 12.4.

"**Type**" means, with respect to any Advance, its nature as a Floating Rate Advance or a Eurocurrency Advance and with respect to any Loan, its nature as a Floating Rate Loan or a Eurocurrency Loan.

"**UCC**" means the Uniform Commercial Code as in effect from time to time in the State of Illinois or any other state the laws of which are required to be applied in connection with the issue of perfection of security interests.

"**UK Borrower**" means each of Actuant Limited and Actuant Finance Limited, each a UK Subsidiary, in each case, unless such Subsidiary has ceased to constitute a Foreign Subsidiary Borrower pursuant to Section 2.24.2.

"**UK Insolvency Event**" means:

(a) a UK Relevant Entity is unable or admits in writing its inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness;

(b) the value of the assets of any UK Relevant Entity is less than its liabilities (taking into account contingent and prospective liabilities);

(c) a moratorium is declared in respect of any indebtedness of any UK Relevant Entity;

(d) any corporate action, legal proceedings or other procedure or step is taken in relation to:

(i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any UK Relevant Entity (other than a solvent liquidation or reorganisation that is not a Borrower or Guarantor);

(ii) a composition, compromise, assignment or arrangement with any creditor of any UK Relevant Entity;

(iii) the appointment of a liquidator (other than a solvent liquidation or reorganisation that is not a Borrower or Guarantor), receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of any UK Relevant Entity, or any of its assets; or

(iv) enforcement of any security over any assets of any UK Relevant Entity,

or any analogous procedure or step is taken in any jurisdiction; *provided*, that this paragraph (d) shall not apply to any winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within 30 days of commencement; and

(e) any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of a UK Relevant Entity having an aggregate value of $10,000,000 and is not discharged within 30 days;

provided, that paragraphs (a), (b), (c), (d)(ii) and (d)(iv) of this definition shall not apply to any UK Relevant Entity that is not a UK Borrower or UK Subsidiary.

"**UK Relevant Entity**" means any UK Borrower, any UK Subsidiary that is a Material Subsidiary, or any Borrower or Material Subsidiary capable of becoming the subject of an order for winding-up or administration under the Insolvency Act 1986 of the United Kingdom.

"**UK Subsidiary**" means a Subsidiary of the Company organized under the laws of England and Wales.

"**UK Tax**" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same) imposed by the government of the United Kingdom or any political subdivision thereof and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government of the United Kingdom.

"**Unfunded Liabilities**" means the amount (if any) by which the present value of all vested and unvested accrued benefits under all Single Employer Plans exceeds the fair market value of all such Plan assets allocable to such benefits, all determined as of the then most recent valuation date for such Plans using PBGC actuarial assumptions for single employer plan terminations.

"**Unmatured Default**" means an event which but for the lapse of time or the giving of notice, or both, would constitute a Default.

"**USA PATRIOT Act**" means the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), as amended.

"**Voting Equity Interests**" means Equity Interests which at the time are entitled to vote in the election of, as applicable, directors, members or partners generally.

"**Voting Stock**" means any class or classes of capital stock of the Company pursuant to which the holders thereof have the general voting power under ordinary circumstances to elect at least a majority of the board of directors of the Company.

"**Wholly-Owned Subsidiary**" of a Person means (i) any Subsidiary all of the outstanding voting securities of which shall at the time be owned or controlled, directly or indirectly, by such Person or one or more Wholly-Owned Subsidiaries of such Person, or by such Person and one or more Wholly-Owned Subsidiaries of such Person, or (ii) any partnership, limited liability company, association, joint venture or similar business organization 100% of the ownership interests having ordinary voting power of which shall at the time be so owned or controlled.

1.2. Terms Generally.

1.2.1. The foregoing definitions shall be equally applicable to both the singular and plural forms of the defined terms.

1.2.2. In this agreement, where it relates to a Dutch entity, a reference to: (i) a lien or security interest includes any mortgage (*hypotheek*), pledge (*pandrecht*), retention of title arrangement (*eigendomsvoorbehoud*), privilege (*voorrecht*), right of retention (*recht van retentie*), right to reclaim goods (*recht van reclame*), and, in general, any right in rem (*beperkte recht*) created for the purpose of granting security (*goederenrechtelijk zekerheidsrecht*), (ii) a bankruptcy or insolvency (and any of those terms) includes a Dutch entity being declared bankrupt (*failliet verklaard*) or dissolved (*ontbonden*), (iii) a moratorium includes *surseance van betaling* and granted a moratorium includes *surseance verleend*, (iv) any step or procedure taken in connection with insolvency proceedings includes a Dutch entity having filed a notice under section 36 of the Dutch Tax Collection Act (*Invorderingswet 1990*), (v) a receiver includes a curator and (vi) a custodian includes a *bewindvoerder*.

1.3. Amendment and Restatement of the Existing Credit Agreement.

The parties to this Agreement agree that, upon (i) the execution and delivery by each of the parties hereto of this Agreement and (ii) satisfaction of the conditions set forth in Section 4.1, the terms and provisions of the Existing Credit Agreement shall be and hereby are amended, superseded and restated in their entirety by the terms and provisions of this Agreement. This Agreement is not intended to and shall not constitute a novation. All "Loans" made and "Obligations" incurred under and as defined in the Existing Credit Agreement which are outstanding on the Closing Date shall continue as Loans and Obligations under (and shall be governed by the terms of) this Agreement and the other Loan Documents, subject to any Departing Lender's receipt of payment in full in cash in immediately available funds of the Loans and other amounts owing to such Departing Lender under the Existing Credit Agreement as described below. Without limiting the foregoing, upon the effectiveness hereof:

(a) all references in the Existing Loan Documents to the "Agent", the "Credit Agreement" and the "Loan Documents" shall be deemed to refer to the Agent, this Agreement and the Loan Documents, respectively;

(b) the Existing Letters of Credit which remain outstanding on the Closing Date shall continue as Letters of Credit under (and shall be governed by the terms of) this Agreement;

(c) all obligations constituting "Secured Obligations" (under and as defined in the Existing Credit Agreement) (other than, with respect to any Loan Party, Excluded Swap Obligations of such Loan Party) with any Lender (other than a Departing Lender) or any Affiliate of any Lender (other than a Departing Lender) which are outstanding on the Closing Date shall continue as Secured Obligations under this Agreement and the other Loan Documents;

(d) each of the Borrowers, as debtor, grantor, pledgor, guarantor, or another similar capacity in which such Borrower grants liens or security interests in its properties or otherwise acts as a guarantor, joint or several obligor or other accommodation party, as the case may be, in each case under the Existing Loan Documents, hereby each (i) ratifies and reaffirms all of its payment and performance obligations, contingent or otherwise, under each of the Existing Loan Documents to which it is a party, (ii) to the extent such Borrower granted liens on or security interests in any of its properties pursuant to

any of the Existing Loan Documents, hereby ratifies and reaffirms such grant of security (and any filings with Governmental Authorities made in connection therewith) and confirms that such liens and security interests continue to secure the Secured Obligations (other than Excluded Swap Obligations of such Borrower), including, without limitation, all additional Obligations resulting from or incurred pursuant to this Agreement and (iii) to the extent such Borrower guaranteed, was jointly or severally liable, or provided other accommodations with respect to, the "Secured Obligations" under and as defined in the Existing Credit Agreement or any portion thereof pursuant to any of the Existing Loan Documents, hereby ratifies and reaffirms such guaranties, liabilities and other accommodations;

(e) notwithstanding any provisions to the contrary in the Existing Credit Agreement, the Agent shall make such reallocations, sales, assignments or other relevant actions in respect of each Lender's credit and loan exposure under the Existing Credit Agreement as are necessary in order that (i) each such Lender's Outstanding Revolving Credit Exposure hereunder reflects such Lender's Revolving Loan Pro Rata Share of the Aggregate Outstanding Revolving Credit Exposure on the Closing Date and (ii) each such Lender's outstanding Term Loans hereunder reflect such Lender's Term Loan Pro Rata Share of the Term Loans outstanding on the Closing Date;

(f) the Existing Loans of each Departing Lender shall be repaid in full in cash in immediately available funds (accompanied by any accrued and unpaid interest and fees thereon and any other amounts or liabilities owing to each Departing Lender under the Existing Credit Agreement), each Departing Lender's "Revolving Loan Commitment" under the Existing Credit Agreement shall immediately terminate and be of no further force and effect, each Departing Lender shall not be a Lender for any purpose hereunder (except to the extent of any indemnification under the Existing Credit Agreement that is meant to continue to apply to such Departing Lender by its express terms), and such Departing Lender shall be released from any obligation or liability under the Existing Credit Agreement; and

(g) the Company hereby agrees to compensate each Lender and each Departing Lender for any and all losses, costs and expenses incurred by such Lender in connection with the sale and assignment of any Eurocurrency Loans (including the "Eurocurrency Loans" under the Existing Credit Agreement) and such reallocation described above, in each case on the terms and in the manner set forth in Section 3.4 hereof.

Without limiting the forgoing, the parties hereto (including, without limitation, each Departing Lender) hereby agree that the consent of any Departing Lender shall be limited to the acknowledgements and agreements set forth in this Section 1.3 and shall not be required as a condition to the effectiveness of any other amendments, restatements, supplements or modifications to the Existing Credit Agreement or the Loan Documents.

ARTICLE II
THE CREDITS

2.1. Revolving Loans.

(h) Existing Revolving Loans. Prior to the Closing Date, certain "Revolving Loans" were made to the Borrowers under (and as defined in) the Existing Credit Agreement which remain outstanding as of the date of this Agreement (such outstanding loans being hereinafter referred to as the "**Existing Revolving Loans**"). Subject to the terms and conditions set forth in this Agreement, the

Borrowers and each of the Lenders agree that on the Closing Date but subject to the satisfaction of the conditions precedent set forth in Article IV and the reallocation and other transactions described in Section 1.3, the Existing Revolving Loans shall be reevidenced as Revolving Loans under this Agreement and the terms of the Existing Revolving Loans shall be restated in their entirety and shall be evidenced by this Agreement.

(i) Commitments. From and including the Closing Date and prior to the Revolving Loan Termination Date, each Revolving Lender severally agrees, on the terms and conditions set forth in this Agreement and subject to Section 2.7(b)(ii) and 2.7(d), to (i) make Revolving Loans to the Borrowers in Agreed Currencies and (ii) participate in Facility LCs issued and Swing Line Loans made upon the request of the Company, in each case, in a Dollar Amount not to exceed in the aggregate at any one time outstanding its Revolving Loan Pro Rata Share of the Available Aggregate Revolving Loan Commitment, *provided* that, after giving effect to the making of each such Loan and the issuance of each such Facility LC, (i) such Lender's Outstanding Revolving Credit Exposure shall not exceed its Revolving Loan Commitment, and the Aggregate Outstanding Revolving Credit Exposure shall not exceed the Aggregate Revolving Loan Commitment, (ii) the aggregate outstanding principal Dollar Amount of all Eurocurrency Advances and LC Obligations in Foreign Currencies shall not exceed the Maximum Foreign Currency Amount and (iii) the aggregate outstanding principal Dollar Amount of all Revolving Loans made to the Foreign Subsidiary Borrowers shall not exceed the Maximum Foreign Subsidiary Borrower Amount. Subject to the terms of this Agreement, a Borrower may borrow, repay and reborrow Revolving Loans at any time prior to the Revolving Loan Termination Date. The Revolving Loan Commitment of each Revolving Lender shall expire on the Revolving Loan Termination Date. The LC Issuer will issue Facility LCs hereunder on the terms and conditions set forth in Section 2.19.

(j) Repayment of Revolving Loans. On the Revolving Loan Termination Date, each Borrower shall repay in full the outstanding principal balance of its Revolving Loans and all other unpaid Obligations owing by such Borrower to the Revolving Lenders.

2.2. Term Loans.

(k) Existing Term Loans. Prior to the Closing Date, certain "Term Loans" were made to the Borrowers under (and as defined in) the Existing Credit Agreement which remain outstanding as of the date of this Agreement (such outstanding loans being hereinafter referred to as the "**Existing Term Loans**"). Subject to the terms and conditions set forth in this Agreement, the Borrowers and each of the Lenders agree that on the Closing Date but subject to the satisfaction of the conditions precedent set forth in Article IV and the reallocation and other transactions described in Section 1.3, the Existing Term Loans shall be reevidenced as Term Loans (the "**Initial Term Loans**") under this Agreement and the terms of the Existing Term Loans shall be restated in their entirety and shall be evidenced by this Agreement.

(l) Incremental Term Loan Commitments. Each Term Loan Lender severally agrees, on the terms and conditions set forth in this Agreement, on each Borrowing Date with respect to a tranche of Incremental Term Loans requested pursuant to Section 2.5(c), to make a term loan, in Dollars, to the Company in an amount equal to such Term Loan Lender's respective Incremental Term Loan Commitment as in effect on such date. The Incremental Term Loan Commitment of each Term Loan Lender shall expire on the Borrowing Date designated for such Incremental Term Loan in accordance with Section 2.5(c).

(m) Repayment of Term Loans.

(i) Repayment of the Term Loans. The Initial Term Loans shall be repaid in (A) consecutive quarterly installments, commencing with the calendar quarter ending September 30, 2014 and continuing

for each calendar quarter thereafter through the Revolving Loan Termination Date, and (B) one (1) final installment on the Revolving Loan Termination Date. Each payment described in the foregoing clause (A) shall be due and payable on the last Business Day of the applicable calendar quarter. The Term Loans shall be permanently reduced by the amount of each installment on the date payment thereof is made hereunder. The installment for each calendar quarter with respect to the Initial Term Loans shall be in the amounts set forth below opposite the last day of such calendar quarter:

Calendar Quarter Ended:	*Installment Amount Due:*
September 30, 2014	*$1,125,000*
December 31, 2014	*$1,125,000*
March 31, 2015	*$1,125,000*
June 30, 2015	*$1,125,000*
September 30, 2015	*$2,250,000*
December 31, 2015	*$2,250,000*
March 31, 2016	*$2,250,000*
June 30, 2016	*$2,250,000*
September 30, 2016	*$2,250,000*
December 31, 2016	*$2,250,000*
March 31, 2017	*$2,250,000*
June 30, 2017	*$2,250,000*
September 30, 2017	*$2,250,000*
December 31, 2017	*$2,250,000*
March 31, 2018	*$2,250,000*
June 30, 2018	*$2,250,000*
Revolving Loan Termination Date	*$58,500,000*

The unpaid principal balance of the Term Loans shall be due and payable in full on the Revolving Loan Termination Date. No installment of any Term Loan shall be reborrowed once repaid.

(ii) Voluntary Prepayments. In addition to the scheduled payments on the Term Loans, the Company may make the voluntary prepayments described in Section 2.7(a), with such prepayments applied ratably to reduce all outstanding installments under the Term Loans.

2.3. Ratable Loans; Types of Advances. Each Advance of Revolving Loans hereunder (but not any Swing Line Loan) shall consist of Revolving Loans made from the several Revolving Lenders ratably according to their Revolving Loan Pro Rata Shares. Each Advance of Term Loans hereunder shall consist of Term Loans made from the several Term Loan Lenders ratably in proportion that respective Term Loan Commitments bear to the Term Loan Commitments of all such Term Loan Lenders. The Advances may be Floating Rate Advances or Eurocurrency Advances, or a combination thereof, selected by the applicable Borrower in accordance with Sections 2.8 and 2.9, or Swing Line Loans selected by the Company in accordance with Section 2.4.

2.4. Swing Line Loans.

2.4.1. Amount of Swing Line Loans. Upon the satisfaction of the conditions precedent set forth in Section 4.3 and, if such Swing Line Loan is to be made on the date of the initial Advance hereunder, the satisfaction of the conditions precedent set forth in Section 4.1 as well, from and including the Closing Date and prior to the Revolving Loan Termination Date, the Swing Line Lender may, in its sole discretion, on the terms and conditions set forth in this Agreement, make Swing Line Loans to the Company from time to time, in Dollars, in an aggregate principal amount not to exceed $50,000,000 at any one time outstanding, *provided* that subject to Section 2.7(b)(ii) and 2.7(d), the Aggregate Outstanding Revolving Credit Exposure shall not at any time exceed the Aggregate Revolving Loan Commitment, and *provided further* that at no time shall the sum of (i) the Swing Line Loans, *plus* (ii) the Dollar Amount of the outstanding Revolving Loans made by the Swing Line Lender pursuant to Section 2.1, *plus* (iii) the Swing Line Lender's Revolving Loan Pro Rata Share of the LC Obligations, exceed the Swing Line Lender's Revolving Loan Commitment at such time. Subject to the terms of this Agreement, the Company may borrow, repay and reborrow Swing Line Loans at any time prior to the Revolving Loan Termination Date.

2.4.2. Borrowing Notice. The Company shall deliver to the Agent and the Swing Line Lender irrevocable notice (a "**Swing Line Borrowing Notice**") not later than noon (Chicago time) on the Borrowing Date of each Swing Line Loan, specifying (i) the applicable Borrowing Date (which date shall be a Business Day), and (ii) the aggregate amount of the requested Swing Line Loan which shall be an amount not less than $100,000. The Swing Line Loans shall bear interest at the Floating Rate or such other rate as separately agreed between the Swing Line Lender and the Company, as provided in Section 2.10.

2.4.3. Making of Swing Line Loans. Promptly after receipt of a Swing Line Borrowing Notice, the Agent shall notify each Lender by fax, or other similar form of transmission, of the requested Swing Line Loan. Not later than 2:00 p.m. (Chicago time) on the applicable Borrowing Date, the Swing Line Lender may, in its sole discretion, make available the Swing Line Loan, in funds immediately available in Chicago, to the Agent at its address specified pursuant to Article XIII. The Agent will promptly make the funds so received from the Swing Line Lender available to the Company on the Borrowing Date at the Agent's aforesaid address. If the Swing Line Lender elects, in its sole discretion, not to make such Swing Line Loan, the Swing Line Lender shall promptly notify the Agent, and the Agent shall promptly notify the Company and each Lender.

2.4.4. Repayment of Swing Line Loans. Each Swing Line Loan shall be paid in full by the Company on or before the tenth (10th) Business Day after the Borrowing Date for such Swing Line Loan. In addition, the Swing Line Lender (i) may at any time in its sole discretion with respect to any outstanding Swing Line Loan, or (ii) shall on the tenth (10th) Business Day after the Borrowing Date of any Swing Line Loan, by notice to the Agent not later than 10:00 a.m. (Chicago Time) on any Business Day, require each Revolving Lender (including the Swing Line Lender) to make a Revolving Loan in Dollars in the amount of such Revolving Lender's Revolving Loan Pro Rata Share of such Swing Line Loan (including, without limitation, any interest accrued and unpaid thereon), for the purpose of repaying such Swing Line Loan. Promptly upon receipt of such notice, the Agent shall give notice thereof to each Revolving Lender, specifying in such notice the amount of the Revolving Loan to be made by such Revolving Lender in connection with such Swing Line Loan. Not later than noon (Chicago time) on the date of any notice received pursuant to

this Section 2.4.4, each Revolving Lender shall make available its required Revolving Loan, in funds immediately available in Chicago to the Agent at its address specified pursuant to Article XIII. Revolving Loans made pursuant to this Section 2.4.4 shall initially be Floating Rate Loans and thereafter may be continued as Floating Rate Loans or converted into Eurocurrency Loans in the manner provided in Section 2.9 and subject to the other conditions and limitations set forth in this Article II. Unless a Revolving Lender shall have notified the Swing Line Lender, prior to its making any Swing Line Loan, that any applicable condition precedent set forth in Sections 4.1 or 4.3 had not then been satisfied, such Lender's obligation to make Revolving Loans pursuant to this Section 2.4.4 to repay Swing Line Loans shall be unconditional, continuing, irrevocable and absolute and shall not be affected by any circumstances, including, without limitation, (a) any set-off, counterclaim, recoupment, defense or other right which such Revolving Lender may have against the Agent, the Swing Line Lender or any other Person, (b) the occurrence or continuance of a Default or Unmatured Default, (c) any adverse change in the condition (financial or otherwise) of the Company, or (d) any other circumstances, happening or event whatsoever. In the event that any Revolving Lender fails to make payment to the Agent of any amount due under this Section 2.4.4, the Agent shall be entitled to receive, retain and apply against such obligation the principal and interest otherwise payable to such Revolving Lender hereunder until the Agent receives such payment from such Revolving Lender or such obligation is otherwise fully satisfied. In addition to the foregoing, if for any reason any Lender fails to make payment to the Agent of any amount due under this Section 2.4.4, such Revolving Lender shall be deemed, at the option of the Agent, to have unconditionally and irrevocably purchased from the Swing Line Lender, without recourse or warranty, an undivided interest and participation in the applicable Swing Line Loan in the amount of such Revolving Loan, and such interest and participation may be recovered from such Revolving Lender together with interest thereon at the Federal Funds Effective Rate for each day during the period commencing on the date of demand and ending on the date such amount is received. On the Revolving Loan Termination Date, the Company shall repay in full the outstanding principal balance of the Swing Line Loans.

2.5. Commitment Fee; Reduction in Aggregate Revolving Loan Commitment; Expansion Option .

(a) Commitment Fee. The Company agrees to pay to the Agent for the account of each Revolving Lender according to its Revolving Loan Pro Rata Share a commitment fee at a per annum rate equal to the Applicable Fee Rate on the average daily Available Aggregate Revolving Loan Commitment from the Closing Date to and including the Revolving Loan Termination Date, payable on each Payment Date hereafter and on the Revolving Loan Termination Date. Swing Line Loans shall not count as usage of the Aggregate Revolving Loan Commitment for the purpose of calculating the commitment fee due hereunder.

(b) Reduction in Aggregate Revolving Loan Commitment . The Borrowers may permanently reduce the Aggregate Revolving Loan Commitment in whole, or in part ratably among the Revolving Lenders in a minimum amount of $5,000,000 and in integral multiples of $1,000,000 in excess thereof, upon at least three Business Days' written notice to the Agent, which notice shall specify the amount of any such reduction, *provided, however*, that the amount of the Aggregate Revolving Loan Commitment may not be reduced below the Aggregate Outstanding Revolving Credit Exposure. All accrued commitment fees shall be payable on the effective date of any termination of the obligations of the Revolving Lenders to make Credit Extensions hereunder.

(c) Expansion Option.

(i) The Company may from time to time elect to increase the Aggregate Revolving Loan Commitment or enter into one or more tranches of term loans (each an "**Incremental Term Loan**"), in each case in minimum amounts of $10,000,000 and increments of $5,000,000 so long as, after giving effect thereto, the aggregate amount of such increases in the Aggregate Revolving Loan Commitment and all such Incremental Term Loans does not exceed $350,000,000. The Company may arrange for any such increase or tranche to be provided by one or more existing Lenders (each existing Lender so agreeing to an increase in its Revolving Loan Commitment, or to participate in such Incremental Term Loans, an "**Increasing Lender**"), or by one or more new banks, financial institutions or other entities, other than any Ineligible Institution (each such new bank, financial institution or other entity, an "**Augmenting Lender**"), to increase their existing Revolving Loan Commitments, or to participate in such Incremental Term Loans, or extend Revolving Loan Commitments, as the case may be; provided that (i) each Augmenting Lender, shall be subject to the approval of the Company and the Agent and, in the case of an increase to the Aggregate Revolving Loan Commitments, JPMorgan in its capacity as LC Issuer and Swing Line Lender (which consent shall not be unreasonably withheld or delayed), and (ii) (x) in the case of an Increasing Lender, the Company and such Increasing Lender execute an agreement substantially in the form of Exhibit D-1 hereto, and (y) in the case of an Augmenting Lender, the Company and such Augmenting Lender execute an agreement substantially in the form of Exhibit D-2 hereto. No consent of any Lender (other than the Lenders participating in the increase to the Aggregate Revolving Loan Commitment or any Incremental Term Loan) shall be required for any increase in Revolving Loan Commitments or Incremental Term Loan pursuant to this Section 2.5(c). Increases in and new Revolving Loan Commitments and Incremental Term Loans created pursuant to this Section 2.5(c) shall become effective on the date agreed by the Company, the Agent and the relevant Increasing Lenders or Augmenting Lenders, and the Agent shall notify each Lender thereof. Notwithstanding the foregoing, no increase in the Aggregate Revolving Loan Commitment (or in the Revolving Loan Commitment of any Lender) or tranche of Incremental Term Loans shall become effective under this paragraph unless:

(A) on the proposed date of the effectiveness of such increase or Incremental Term Loans, (1) the conditions set forth in paragraphs (i) and (ii) of Section 4.3 shall be satisfied or waived by the Required Lenders and the Agent shall have received a certificate to that effect dated such date and executed by a Financial Officer of the Company, (2) the Company shall be in compliance (on a pro forma basis reasonably acceptable to the Agent) with the covenants contained in Section 6.19 as if (x) in the case of any Incremental Term Loan, such Incremental Term Loans had been outstanding on the last day of the most recent fiscal quarter for which financial statements are available for testing compliance therewith or (y) in the case any increased Revolving Loan Commitments, all Revolving Loans available under the Aggregate Revolving Loan Commitment, including any such increased Revolving Loan Commitments, had been outstanding on the last day of the most recent fiscal quarter for which financial statements are available for testing compliance therewith, and the Agent shall have received a certificate to that effect dated such date and executed by a Financial Officer of the Company, and (3) without limiting the foregoing conditions (including the preceding clause (1) as it relates to the accuracy of the representation in Section 5.3 and the absence of any Default or Unmatured Default under Section 7.5 generally), the Company shall demonstrate that such increase or Incremental Term Loans and the Liens securing such Indebtedness are permitted under the terms of the 2012 Senior Note Indenture, and

(B) the Agent shall have received documents consistent with those delivered pursuant to Section 4.1 or 4.2 as to the corporate power and authority of the Borrowers to borrow hereunder

after giving effect to such increase (including, without limitation, opinions of counsel for the Borrowers and the Guarantors in form and substance reasonably satisfactory to the Agent).

(ii) On the effective date of any increase in the Revolving Loan Commitments or any Incremental Term Loans being made, (i) each relevant Increasing Lender and Augmenting Lender shall make available to the Agent such amounts in immediately available funds as the Agent shall determine, for the benefit of the other Lenders, as being required in order to cause, after giving effect to such increase and the use of such amounts to make payments to such other Lenders, each Lender's portion of the outstanding Revolving Loans of all the Lenders to equal its Revolving Loan Pro Rata Share of such outstanding Revolving Loans, and (ii) except in the case of any Incremental Term Loans, the Borrowers shall be deemed to have repaid and reborrowed all outstanding Revolving Loans as of the date of any increase in the Revolving Loan Commitments (with such reborrowing to consist of the Types of Revolving Loans, in such Agreed Currencies and with related Interest Periods if applicable, specified in a Borrowing Notice delivered by the applicable Borrower, or the Company on behalf of the applicable Borrower, in accordance with the requirements of Section 2.8). The deemed payments made pursuant to clause (ii) of the immediately preceding sentence shall be accompanied by payment of all accrued interest on the amount prepaid and, in respect of each Eurocurrency Loan, shall be subject to indemnification by the applicable Borrowers pursuant to the provisions of Section 3.4 if the deemed payment occurs other than on the last day of the related Interest Periods.

(iii) Any tranche of Incremental Term Loans (a) shall rank *pari passu* in right of payment with the Revolving Loans and the then existing Term Loans, (b) shall not mature earlier than the Revolving Loan Termination Date, (c) shall not have a shorter weighted average life to maturity than the Revolving Loans and the then existing Term Loans, and (d) shall be treated substantially the same as (and in any event no more favorably than) the Revolving Loans and then existing Term Loans; *provided* that (i) the terms and conditions applicable to any tranche of Incremental Term Loans maturing after the Revolving Loan Termination Date may provide for material additional or different financial or other covenants or prepayment requirements applicable only during periods after the Revolving Loan Termination Date and (ii) the Incremental Term Loans may be priced differently than the Revolving Loans and the then existing Term Loans. Incremental Term Loans may be made hereunder pursuant to an amendment or an amendment and restatement (an "**Incremental Term Loan Amendment**") of this Agreement and, as appropriate, the other Loan Documents, executed by the Company, each Increasing Lender participating in such tranche, each Augmenting Lender participating in such tranche, if any, and the Agent. The Incremental Term Loan Amendment may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Agent, to effect the provisions of this Section 2.5(c). Nothing contained in this Section 2.5(c) shall constitute, or otherwise be deemed to be, a commitment on the part of any Lender to increase its Revolving Loan Commitment hereunder, or provide Incremental Term Loans, at any time.

(iv) Any Augmenting Lender (A) if it is a Non-U.S. Lender, shall have delivered tax certificates described in Section 3.5, which indicate that such Non-U.S. Lender is exempt from any withholding tax under the laws of the United States on payments by the Company in such jurisdiction, (B) in the case of a new Revolving Loan Commitment or Revolving Loan, shall have confirmed that it is exempt from any withholding tax under the laws of the Netherlands on payments by Dutch Borrowers (unless the Company has confirmed in writing its intention not to add any Dutch Borrowers to this Agreement under Section 2.24.1, or, following the addition of any Dutch Borrower under Such Section 2.24.1, all Dutch Borrowers have been removed from this Agreement pursuant to Section 2.24.2) and (C) in the case of a new Revolving Loan Commitment or Revolving Loan, shall have provided to the Agent for the onward transmission to the relevant UK Borrower, in respect of Loans made to a UK Borrower, a tax certificate in the form set forth in

Exhibit G attached hereto (unless all UK Borrowers have been removed from this Agreement pursuant to Section 2.24.2).

2.6. Minimum Amount of Each Advance. Each Eurocurrency Advance shall be in the minimum amount of $2,000,000 or the Approximate Equivalent Amount of any Foreign Currency (and in multiples of $1,000,000 or the Approximate Equivalent Amount of any Foreign Currency if in excess thereof), and each Floating Rate Advance (other than an Advance to repay Swing Line Loans) shall be in the minimum amount of $250,000 (and in multiples of $250,000 if in excess thereof), *provided, however*, that any Floating Rate Advance of Revolving Loans may be in the amount of the Available Aggregate Revolving Loan Commitment. In addition, the Borrowers shall select Eurocurrency Interest Periods under Sections 2.9 and 2.10 so that no more than ten (10) Interest Periods shall be outstanding at any one time. The initial Revolving Loan from any Lender or Affiliate to each Dutch Borrower shall at all times be at least €50,000 (or its equivalent in another Agreed Currency).

2.7. Prepayments; Termination.

(a) Optional Principal Payments. The Borrowers may from time to time pay, without penalty or premium, all outstanding Floating Rate Advances (other than Swing Line Loans), or, in a minimum aggregate amount of $250,000 or any integral multiple of $250,000 in excess thereof, any portion of the outstanding Floating Rate Advances (other than Swing Line Loans) with notice to the Agent by 10:00 a.m. (Chicago time) on the date of repayment. The Company may at any time pay, without penalty or premium, all outstanding Swing Line Loans, or, in a minimum amount of $100,000 and increments of $50,000 in excess thereof, any portion of the outstanding Swing Line Loans, with notice to the Agent and the Swing Line Lender by 11:00 a.m. (Chicago time) on the date of repayment. The Borrowers may from time to time pay, subject to the payment of any funding indemnification amounts required by Section 3.4 but without penalty or premium, all outstanding Eurocurrency Advances, or, in a minimum aggregate amount of $2,000,000 or any integral multiple of $1,000,000 in excess thereof, any portion of the outstanding Eurocurrency Advances upon three Business Days' prior notice to the Agent.

(b) Mandatory Prepayments/Reductions in Aggregate Revolving Loan Commitment.

(i) Generally. If at any time, other than solely as a result of currency rate fluctuations, (A) the Dollar Amount of the Aggregate Outstanding Revolving Credit Exposure exceeds the Aggregate Revolving Loan Commitment, (B) the aggregate Dollar Amount of all Eurocurrency Loans and LC Obligations in Foreign Currencies exceeds the Maximum Foreign Currency Amount or (C) the aggregate Dollar Amount of all Revolving Loans made to the Foreign Subsidiary Borrowers exceeds the Maximum Foreign Subsidiary Borrower Amount, the Borrowers, for the ratable benefit of the Revolving Lenders, shall immediately prepay Revolving Loans (to be applied to such Revolving Loans as the applicable Borrower shall direct at the time of such payment) in an aggregate amount such that after giving effect thereto (x) the Aggregate Outstanding Revolving Credit Exposure is less than or equal to the Aggregate Revolving Loan Commitment, (y) the aggregate Dollar Amount of all Eurocurrency Loans and LC Obligations in Foreign Currencies is less than or equal to the Maximum Foreign Currency Amount, and (z) the aggregate Dollar Amount of all Revolving Loans made to the Foreign Subsidiary Borrowers is less than or equal to the Maximum Foreign Subsidiary Borrower Amount.

(ii) Currency Fluctuations. If at any time solely as a result of currency rate fluctuations (A) the Dollar Amount of the Aggregate Outstanding Revolving Credit Exposure exceeds 105% of the Aggregate Revolving Loan Commitment, (B) the aggregate Dollar Amount of all Eurocurrency Loans and LC Obligations in Foreign Currencies exceeds 105% of the Maximum Foreign Currency Amount or (C) the aggregate Dollar Amount of all Revolving Loans made to the Foreign Subsidiary Borrowers exceeds 105% of the Maximum Foreign Subsidiary Borrower Amount, the Borrowers, for the ratable benefit of the Revolving Lenders, shall within five (5) Business Days of such occurrence prepay Revolving Loans (to be applied to such Revolving Loans as the applicable Borrower shall direct at the time of such payment) in an aggregate amount such that after giving effect thereto (x) the Aggregate Outstanding Revolving Credit Exposure is less than or equal to the Aggregate Revolving Loan Commitment, (y) the aggregate Dollar Amount of all Eurocurrency Loans and LC Obligations in Foreign Currencies is less than or equal to the Maximum Foreign Currency Amount, and (z) the aggregate Dollar Amount of all Revolving Loans made to the Foreign Subsidiary Borrowers is less than or equal to the Maximum Foreign Subsidiary Borrower Amount.

(iii) Asset Sale. Not later than the third Business Day following receipt of any Net Cash Proceeds of any Asset Sale (other than the divestiture of the Electrical Business Segment of the Company and its Subsidiaries), the Borrowers shall prepay outstanding Loans in an amount equal to 100% of the Net Cash Proceeds received with respect thereto (subject to the provisions regarding application of prepayments set forth below); *provided* that no such prepayment shall be required hereunder unless, and only to that extent that, the aggregate Net Cash Proceeds of Asset Sales during any fiscal year exceed 5% of Consolidated Assets (measured as of the last day of the most recently completed fiscal year); *provided*, *further*, that no mandatory prepayment shall be required pursuant to this Section 2.7(b)(iii) on account of such Net Cash Proceeds if, and to the extent that, the Company notifies the Agent in writing within three Business Days following receipt of such Net Cash Proceeds of its or its Subsidiary's good faith intention to apply such Net Cash Proceeds to the acquisition of other assets or Property to be used in its business within 120 days following the receipt of such Net Cash Proceeds, with the amount of such Net Cash Proceeds unused after such 120-day period to be treated as Net Cash Proceeds in accordance with this Section 2.7(b)(iii). Amounts to be applied pursuant to this Section 2.7(b)(iii) shall be applied *first* to the Term Loans (ratably to the Initial Term Loans and the Incremental Term Loans, in each case, in accordance with the principal amounts thereof), with such prepayment applied ratably to reduce all remaining outstanding installments thereof, *second* to Swing Line Loans, third to Revolving Loans that are Floating Rate Loans and *fourth* to Revolving Loans that are Eurocurrency Loans (but without, in any such case, any reduction of the Aggregate Revolving Loan Commitment), in each case, together with accrued interest on the Loans being prepaid. All prepayments required by this Section 2.7(b)(iii) shall be subject to the payment of any funding indemnification amounts required by Section 3.4, but without penalty or premium. Notwithstanding the foregoing, so long as no Default has occurred and is then continuing and at the Company's option, the Agent shall hold all prepayments pursuant to this clause (iii) to be applied to Eurocurrency Loans in escrow for the benefit of the Lenders and (x) the Agent shall release such amounts upon the earlier of (1) thirty days after the date of such prepayment (*provided* that the Borrowers shall make all payments under Section 3.4 resulting therefrom) and (2) expiration of the Interest Periods applicable to any such Eurocurrency Loans being prepaid, (y) interest shall continue to accrue on such Eurocurrency Loans until such time as such prepayments are released from escrow and

applied to reduce such Eurocurrency Loans and (z) the aggregate outstanding principal balance of the Eurocurrency Loans to be prepaid upon such release from escrow shall not be included in any calculation of Consolidated Indebtedness from and after the date such funds are placed in escrow; *provided, however,* that upon the occurrence and continuance of a Default, such escrowed amounts may be applied to Eurocurrency Loans without regard to the expiration of any Interest Period and the Borrowers shall make all payments under Section 3.4 resulting therefrom.

(c) Termination. Notwithstanding the termination of the Revolving Loan Commitments or the Term Loan Commitments hereunder or the occurrence of the Revolving Loan Termination Date (or, if applicable, the Latest Maturity Date), until all of the Obligations (other than contingent indemnity obligations) shall have been indefeasibly and fully paid and satisfied in cash and all financing arrangements between the Borrowers and the Lenders hereunder and under the other Loan Documents shall have been terminated, all of the rights and remedies under this Agreement and the other Loan Documents shall survive.

(d) Foreign Currency Calculations. For purposes of determining the Dollar Amount of the outstanding Revolving Loans, LC Obligations, any other outstanding Credit Event or any other amount as a result of foreign currency exchange rate fluctuation, the Agent shall determine the Exchange Rate as of the applicable Exchange Rate Date with respect to each Foreign Currency in which any requested or outstanding Advance or Facility LC is denominated and shall apply such Exchange Rates to determine such amount (in each case after giving effect to any Advances to be made or repaid and any Facility LCs to be issued or Modified, to the extent practicable on or prior to the applicable date for such calculation).

2.8. Method of Selecting Types and Interest Periods for New Advances; Funding of Advances . The applicable Borrower, or the Company on its behalf, shall select the Type of Advance and, in the case of each Eurocurrency Advance, the Interest Period applicable thereto from time to time. The applicable Borrower, or the Company on its behalf, shall give the Agent irrevocable notice (a "**Borrowing Notice**") not later than (i) 10:00 a.m. (Chicago time) on the Borrowing Date of each Floating Rate Advance (other than a Swing Line Loan), (ii) 10:00 a.m. (Chicago time) three Business Days before the Borrowing Date for each Eurocurrency Advance denominated in Dollars and (iii) 10:00 a.m. (London time) four Business Days before the Borrowing Date for each Eurocurrency Advance denominated in a Foreign Currency or to a Foreign Subsidiary Borrower, specifying:

(i) the applicable Borrower with respect to such Advance,

(ii) the Borrowing Date, which shall be a Business Day, of such Advance,

(iii) the aggregate amount of such Advance and whether such Advance consists of Revolving Loans or Term Loans,

(iv) the Type of Advance selected,

(v) in the case of each Eurocurrency Advance, the Interest Period and Agreed Currency applicable thereto, and

(vi) the location and number of the account of such Borrower to which funds are to be disbursed.

Borrowing Notices may be delivered to the Agent (x) by e-mail, telephone or telecopy, if with respect to an Advance denominated in Dollars and (y) by telecopy, if with respect to an Advance denominated in a Foreign

Currency. Promptly following receipt of a Borrowing Notice in accordance with this Section, the Agent shall advise each Revolving Lender of the details thereof and the amount of the Loan to be made by such Lender as part of the requested Advance.

Not later than noon (Chicago time) on each Borrowing Date, each applicable Lender shall make available its Loan or Loans in immediately available funds in the applicable Agreed Currency in Chicago to the Agent at its address specified pursuant to Article XIII, unless the Agent has notified the Lenders that such Loan is to be made available to the applicable Borrower at the Agent's Eurocurrency Payment Office, in which case each Lender shall make available its Loan or Loans, in funds immediately available to the Agent at its Eurocurrency Payment Office, not later than 1:00 p.m. (local time in the city of the Agent's Eurocurrency Payment Office) in the applicable Agreed Currency. The Agent will make the funds so received from the Lenders available to the applicable Borrower at the Agent's aforesaid address.

Each Lender at its option may make any Eurocurrency Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan (and in the case of an Affiliate, the provisions of this Agreement (including, without limitation, Sections 3.1 through 3.6 and 9.6) shall apply to such Affiliate to the same extent as to such Lender); *provided* that any exercise of such option shall not affect the obligation of the applicable Borrower to repay such Loan in accordance with the terms of this Agreement.

2.9. Conversion and Continuation of Outstanding Advances. Floating Rate Advances (other than Swing Line Loans) shall continue as Floating Rate Advances unless and until such Floating Rate Advances are converted into Eurocurrency Advances pursuant to this Section 2.9 or are repaid in accordance with Section 2.1, 2.2(c) or 2.7. Each Eurocurrency Advance shall continue as a Eurocurrency Advance until the end of the then applicable Interest Period therefor, at which time such Eurocurrency Advance (other than Eurocurrency Advances in Foreign Currencies) shall be automatically converted into a Floating Rate Advance unless (a) such Eurocurrency Advance is or was repaid in accordance with Section 2.1, 2.2(c) or 2.7 or (b) the applicable Borrower, or the Company on its behalf, shall have given the Agent a Conversion/Continuation Notice (as defined below) requesting that, at the end of such Interest Period, such Eurocurrency Advance continue as a Eurocurrency Advance for the same or another Interest Period. Unless a Conversion/Continuation Notice shall have timely been given in accordance with the terms of this Section 2.9, Eurocurrency Advances in a Foreign Currency shall automatically continue as Eurocurrency Advances in the same Foreign Currency with an Interest Period of one (1) month. Subject to the terms of Section 2.6, the applicable Borrower, or the Company on its behalf, may elect from time to time to convert all or any part of a Floating Rate Advance (other than a Swing Line Loan) into a Eurocurrency Advance. The applicable Borrower, or the Company on its behalf, shall give the Agent irrevocable notice (a "**Conversion/Continuation Notice**") by (x) e-mail, telephone or telecopy, if with respect to an Advance denominated in Dollars and (y) telecopy, if with respect to an Advance denominated in a Foreign Currency, of each conversion of a Floating Rate Advance into a Eurocurrency Advance or continuation of a Eurocurrency Advance not later than 10:00 a.m. (Chicago time) at least (x) three Business Days prior to the date of the requested conversion or continuation of an Advance in Dollars and (y) four Business Days prior to the date of the requested continuation of a Eurocurrency Advance in a Foreign Currency or to a Foreign Subsidiary Borrower, specifying:

(i) the requested date, which shall be a Business Day, of such conversion or continuation,

(ii) the aggregate amount and Type of the Advance which is to be converted or continued and whether such Advance consists of Revolving Loans or Term Loans, and

(iii) the amount of such Advance which is to be converted into or continued as a Eurocurrency Advance and the duration of the Interest Period applicable thereto.

Notwithstanding anything herein to the contrary, Eurocurrency Advances in an Agreed Currency may be converted and/or continued as Eurocurrency Advances only in the same Agreed Currency.

2.10. Changes in Interest Rate, etc. Each Floating Rate Advance (other than a Swing Line Loan) shall bear interest on the outstanding principal amount thereof, for each day from and including the date such Advance is made or is automatically converted from a Eurocurrency Advance into a Floating Rate Advance pursuant to Section 2.9, to but excluding the date it is paid or is converted into a Eurocurrency Advance pursuant to Section 2.9 hereof, at a rate per annum equal to the Floating Rate for such day. Each Swing Line Loan shall bear interest on the outstanding principal amount thereof, for each day from and including the day such Swing Line Loan is made to but excluding the date it is paid, at a rate per annum equal to the Floating Rate for such day or such other rate as may be separately agreed between the Swing Line Lender and the Company. Changes in the rate of interest on that portion of any Advance maintained as a Floating Rate Advance will take effect simultaneously with each change in the Alternate Base Rate. Each Eurocurrency Advance shall bear interest on the outstanding principal amount thereof from and including the first day of the Interest Period applicable thereto to (but not including) the last day of such Interest Period at the interest rate determined by the Agent as applicable to such Eurocurrency Advance based upon the applicable Borrower's selections under Sections 2.8 and 2.9 and otherwise in accordance with the terms hereof. Notwithstanding anything herein to the contrary, no Borrower may select an Interest Period that ends after the Revolving Loan Termination Date (or, in the case of any Incremental Term Loans, the maturity date applicable thereto).

2.11. Rates Applicable After Default. Notwithstanding anything to the contrary contained in Section 2.8, 2.9 or 2.10, during the continuance of a Default the Required Lenders may, at their option, by notice to the Company (which notice may be revoked at the option of the Required Lenders notwithstanding any provision of Section 8.2 requiring unanimous consent of the Lenders to changes in interest rates), declare that no Advance denominated in Dollars may be made as, converted into or continued as a Eurocurrency Advance and no Advance denominated in a Foreign Currency may have an Interest Period longer than one (1) month. During the continuance of a Default the Required Lenders may, at their option, by notice to the Company (which notice may be revoked at the option of the Required Lenders notwithstanding any provision of Section 8.2 requiring unanimous consent of the Lenders to changes in interest rates), declare that (i) each Eurocurrency Advance shall bear interest for the remainder of the applicable Interest Period at the rate otherwise applicable to such Interest Period *plus* 2% per annum, (ii) each Floating Rate Advance shall bear interest at a rate per annum equal to the Floating Rate in effect from time to time *plus* 2% per annum, (iii) the LC Fee shall be increased by 2% per annum and (iv) any other amount due and payable hereunder (including interest and fees) shall bear interest at a rate per annum equal to the Floating Rate in effect from time to time *plus* 2% per annum, *provided* that, during the continuance of a Default under Section 7.6 or 7.7, the interest rates set forth in clauses (i) and (ii) above and the increase in the LC Fee and other amounts set forth in clause (iii) and (iv) above shall be applicable to all Credit Extensions without any election or action on the part of the Agent or any Lender.

2.12. Method of Payment.

(a) All payments of the Obligations hereunder shall be made, without setoff, deduction, or counterclaim, in immediately available funds to the Agent (i) at the Agent's address specified pursuant to Article XIII in immediately available funds with respect to Advances or other Obligations denominated in Dollars and (ii) at the Agent's Eurocurrency Payment Office in immediately available funds with respect

to any Advance or other Obligations denominated in a Foreign Currency, or at any other Lending Installation of the Agent specified in writing by the Agent to the Borrowers, by noon (local time) on the date when due and shall (except (i) with respect to repayments of Swing Line Loans, (ii) in the case of Reimbursement Obligations for which the LC Issuer has not been fully indemnified by the Lenders, or (iii) as otherwise specifically required hereunder) be applied ratably by the Agent among the applicable Lenders. Each Advance shall be repaid or prepaid in the Agreed Currency in which it was made in the amount borrowed and interest payable thereon shall also be paid in such Agreed Currency. Each payment delivered to the Agent for the account of any Lender shall be delivered promptly by the Agent to such Lender in the same type of funds that the Agent received at its address specified pursuant to Article XIII or at any Lending Installation specified in a notice received by the Agent from such Lender. The Agent is hereby authorized to charge the account of each Borrower maintained with JPMorgan (or its Affiliates) for each payment of principal, interest, Reimbursement Obligations and fees as it becomes due hereunder (it being understood and agreed that the Agent shall not charge the account of any Foreign Subsidiary Borrower for any payment of principal or interest on Loans made to the Company, or for fees incurred by the Company). Each reference to the Agent in this Section 2.12 shall also be deemed to refer, and shall apply equally, to the LC Issuer, in the case of payments required to be made by the Company to the LC Issuer pursuant to Section 2.19.6.

(b) Notwithstanding the foregoing provisions of this Section, if, after the making of any Credit Event in any currency other than Dollars, currency control or exchange regulations are imposed in the country which issues such currency with the result that different types of such Agreed Currency (the "**New Currency**") are introduced and the type of currency in which the Credit Event was made (the "**Original Currency**") no longer exists or the applicable Borrower is not able to make payment to the Agent for the account of the applicable Lenders or to the LC Issuer in such Original Currency, then all payments to be made by such Borrower hereunder in such currency shall be made to the Agent or the LC Issuer in such amount and such type of the New Currency or Dollars as shall be equivalent to the amount of such payment otherwise due hereunder in the Original Currency, it being the intention of the parties hereto that the applicable Borrower take all risks of the imposition of any such currency control or exchange regulations. In addition, notwithstanding the foregoing provisions of this Section, if, after the making of any Credit Event in any currency other than Dollars, any Borrower is not able to make payment to the Agent for the account of the Lenders or to the LC Issuer in the type of currency in which such Credit Event was made because of the imposition of any such currency control or exchange regulation, then such Credit Event shall instead be repaid when due in Dollars in a principal amount equal to the Dollar Amount (as of the date of repayment) of such Credit Event, it being the intention of the parties hereto that the Borrowers take all risks of the imposition of any such currency control or exchange regulations, and each Borrower agrees to indemnify and hold harmless the Agent, the LC Issuer and the Lenders from and against any loss resulting from any Credit Event made to or for the benefit of such Borrower denominated in a Foreign Currency that is not repaid to the Agent, the LC Issuer or the Lenders, as the case may be, in the Original Currency.

2.13. Noteless Agreement; Evidence of Indebtedness. (a) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrowers to such Lender resulting from each Loan made by such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(b) The Agent shall also maintain accounts in which it will record (a) the amount of each Loan made hereunder, the Type thereof and the Agreed Currency and Interest Period (if any) with respect thereto, (b) the amount of any principal or interest due and payable or to become due and payable from each Borrower to each Lender hereunder, (c) the original stated amount of each Facility LC and the

amount of LC Obligations outstanding at any time, and (d) the amount of any sum received by the Agent hereunder from the Borrowers and each Lender's share thereof.

(c) The entries maintained in the accounts maintained pursuant to paragraphs (i) and (ii) above shall be *prima facie* evidence (absent manifest error) of the existence and amounts of the Obligations therein recorded; *provided, however*, that the failure of the Agent or any Lender to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrowers to repay the Obligations in accordance with their terms.

(d) Any Lender may request that its Loans be evidenced by a promissory note or, in the case of the Swing Line Lender, promissory notes representing its Revolving Loans and Swing Line Loans, respectively, substantially in the form of Exhibit E-1, with appropriate changes for notes evidencing Swing Line Loans, or representing its Term Loans substantially in the form of Exhibit E-2 (each a "**Note**"). In such event, the applicable Borrower or Borrowers shall prepare, execute and deliver to such Lender such Note or Notes payable to such Lender in a form supplied by the Agent. Thereafter, the Loans evidenced by any such Note and interest thereon shall at all times (prior to any assignment pursuant to Section 12.3) be represented by one or more Notes payable to the payee named therein, except to the extent that any such Lender subsequently returns any such Note for cancellation and requests that such Loans once again be evidenced as described in paragraphs (i) and (ii) above.

2.14. Telephonic Notices. To the extent specified in Sections 2.8 and 2.9, each Borrower hereby authorizes the Lenders and the Agent to extend, convert or continue Advances, effect selections of Types of Advances and to transfer funds based on telephonic notices made by any person or persons the Agent or any Lender in good faith believes to be acting on behalf of such Borrower, it being understood that the foregoing authorization is specifically intended to allow Borrowing Notices and Conversion/Continuation Notices to be given telephonically. Each Borrower agrees to deliver promptly to the Agent a written confirmation, if such confirmation is requested by the Agent or any Lender, of each telephonic notice signed by a Financial Officer. If the written confirmation differs in any material respect from the action taken by the Agent and the Lenders, the records of the Agent and the Lenders shall govern absent manifest error.

2.15. Interest Payment Dates; Interest and Fee Basis. Interest accrued on each Floating Rate Advance shall be payable on each Payment Date, commencing with the first such date to occur after the Closing Date, on any date on which the Floating Rate Advance is prepaid, whether due to acceleration or otherwise, and at maturity. Interest accrued on that portion of the outstanding principal amount of any Floating Rate Advance converted into a Eurocurrency Advance on a day other than a Payment Date shall be payable on the date of conversion. Interest accrued on each Eurocurrency Advance shall be payable on the last day of its applicable Interest Period, on any date on which the Eurocurrency Advance is prepaid, whether by acceleration or otherwise, and at maturity. Interest accrued on each Eurocurrency Advance having an Interest Period longer than three months shall also be payable on the last day of each three-month interval during such Interest Period. Interest accrued on all Floating Rate Loans shall be calculated for actual days elapsed (including the first day but excluding the last day) on the basis of a year of 365 or, when appropriate, 366 days. All interest accrued on Eurocurrency Loans and all fees hereunder shall be computed on the basis of a year of 360 days, except that interest computed with respect to Loans denominated in Pounds Sterling shall be computed on a basis of a year of 365 days, and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). Interest shall be payable for the day an Advance or Swing Line Loan is made but not for the day of any payment on the amount paid if payment is received prior to noon (local time) at the place of payment. If any payment of principal of or interest on an Advance, Swing Line Loan, fees or other Obligations shall become due on a day which is not a Business

Day, such payment shall be made on the next succeeding Business Day and, in the case of a principal payment, such extension of time shall be included in computing interest and fees in connection with such payment.

2.16. Notification of Advances, Interest Rates, Prepayments and Commitment Reductions. Promptly after receipt thereof, the Agent will notify each Lender of the contents of each Aggregate Revolving Loan Commitment reduction notice, Borrowing Notice, Swing Line Borrowing Notice, Conversion/Continuation Notice, and repayment notice received by it hereunder. Promptly after notice from the LC Issuer, the Agent will notify each Lender of the contents of each request for issuance of a Facility LC hereunder. The Agent will notify each Lender of the interest rate applicable to each Eurocurrency Advance promptly upon determination of such interest rate and will give each Lender prompt notice of each change in the Alternate Base Rate. The Agent will also provide notices to the Lenders as and when required by Section 2.5(c).

2.17. Lending Installations. Each Lender may book its Loans and its participation in any LC Obligations and the LC Issuer may book the Facility LCs at any Lending Installation selected by such Lender or the LC Issuer, as the case may be, and may change its Lending Installation from time to time. All terms of this Agreement shall apply to any such Lending Installation and the Loans, Facility LCs, participations in LC Obligations and any Notes issued hereunder shall be deemed held by each Lender or the LC Issuer, as the case may be, for the benefit of any such Lending Installation. Each Lender and the LC Issuer may, by written notice to the Agent and the Borrowers in accordance with Article XIII, designate replacement or additional Lending Installations through which Loans will be made by it or Facility LCs will be issued by it and for whose account Loan payments or payments with respect to Facility LCs are to be made.

2.18. Non-Receipt of Funds by the Agent. Unless a Borrower or a Lender, as the case may be, notifies the Agent prior to the date on which it is scheduled to make payment to the Agent of (i) in the case of a Lender, the proceeds of a Loan or (ii) in the case of a Borrower, a payment of principal, interest or fees to the Agent for the account of the Lenders, that it does not intend to make such payment, the Agent may assume that such payment has been made. The Agent may, but shall not be obligated to, make the amount of such payment available to the intended recipient in reliance upon such assumption. If such Lender or such Borrower, as the case may be, has not in fact made such payment to the Agent, the recipient of such payment shall, on demand by the Agent, repay to the Agent the amount so made available together with interest thereon in respect of each day during the period commencing on the date such amount was so made available by the Agent until the date the Agent recovers such amount at a rate per annum equal to (x) in the case of payment by a Lender, the greater of the Federal Funds Effective Rate and a rate determined by the Agent in accordance with banking industry rules on interbank compensation (including without limitation the Overnight Foreign Currency Rate in the case of Loans denominated in a Foreign Currency) or (y) in the case of payment by a Borrower, the interest rate applicable to the relevant Loan.

2.19. Facility LCs.

2.19.1. Issuance. The LC Issuer hereby agrees, on the terms and conditions set forth in this Agreement, to issue standby and commercial Letters of Credit in Agreed Currencies (each, together with the Existing Letters of Credit deemed issued hereunder pursuant to Section 2.19.13, a "**Facility LC**"; *provided*, that with respect to any Letter of Credit issued hereunder in a Foreign Currency, such term shall also be deemed to include any advance guaranty, performance bond or similar guaranty deemed appropriate by the LC Issuer) and to renew, extend, increase, decrease or otherwise modify each Facility LC ("**Modify**," and each such action a "**Modification**"), from time to time from and including the Closing Date and prior to the Revolving Loan Termination Date upon the request of the

Company; *provided* that immediately after each such Facility LC is issued or Modified and subject to Section 2.7(b)(ii) and 2.7(d), (i) the aggregate Dollar Amount of the outstanding LC Obligations shall not exceed $60,000,000, (ii) the Aggregate Outstanding Revolving Credit Exposure shall not exceed the Aggregate Revolving Loan Commitment and (iii) the aggregate outstanding principal Dollar Amount of all Eurocurrency Advances and LC Obligations in Foreign Currencies shall not exceed the Maximum Foreign Currency Amount. No Facility LC shall have an expiry date later than the earlier of (x) the fifth Business Day prior to the Revolving Loan Termination Date and (y) one year after its issuance (or, in the case of any renewal or extension thereof, one year after such renewal or extension).

2.19.2. Participations. Upon the issuance or Modification by the LC Issuer of a Facility LC in accordance with this Section 2.19, the LC Issuer shall be deemed, without further action by any party hereto, to have unconditionally and irrevocably sold to each Revolving Lender, and each Revolving Lender shall be deemed, without further action by any party hereto, to have unconditionally and irrevocably purchased from the LC Issuer, a participation in such Facility LC (and each Modification thereof) and the related LC Obligations in proportion to its Revolving Loan Pro Rata Share.

2.19.3. Notice. Subject to Section 2.19.1, the Company shall give the LC Issuer notice prior to 10:00 a.m. (Chicago time) at least five Business Days prior to the proposed date of issuance or Modification of each Facility LC, specifying the beneficiary, the proposed Agreed Currency, the proposed date of issuance (or Modification) and the expiry date of such Facility LC, and describing the proposed terms of such Facility LC and the nature of the transactions proposed to be supported thereby. Upon receipt of such notice, the LC Issuer shall promptly notify the Agent, and the Agent shall promptly notify each Lender, of the contents thereof and of the amount of each Revolving Lender's participation in such proposed Facility LC. The issuance or Modification by the LC Issuer of any Facility LC shall, in addition to the conditions precedent set forth in Article IV (the satisfaction of which the LC Issuer shall have no duty to ascertain), be subject to the conditions precedent that such Facility LC shall be satisfactory to the LC Issuer and that the Company shall have executed and delivered such application agreement and/or such other instruments and agreements relating to such Facility LC as the LC Issuer shall have reasonably requested (each, a "**Facility LC Application**"). In the event of any conflict between the terms of this Agreement and the terms of any Facility LC Application, the terms of this Agreement shall control.

2.19.4. LC Fees. The Company shall pay to the Agent, for the account of the Revolving Lenders ratably in accordance with their respective Revolving Loan Pro Rata Shares a letter of credit fee at a per annum rate equal to (i) 100% of the Applicable Margin for Eurocurrency Loans in effect from time to time on the average daily undrawn stated Dollar Amount under each standby Facility LC issued and outstanding and (ii) 50% of the Applicable Margin for Eurocurrency Loans in effect from time to time on the average daily undrawn stated Dollar Amount under each trade or performance Facility LC issued and outstanding, in each case, payable in arrears on each Payment Date (the "**LC Fee**"). The Company shall also pay to the LC Issuer for its own account (x) at the time of issuance of each Facility LC, a fronting fee equal to 0.125% of the stated Dollar Amount available for drawing under such Facility LC (or such other amount as the Company and the LC Issuer shall agree) and (y) documentary and processing charges in connection with the issuance

or Modification of and draws under Facility LCs in accordance with the LC Issuer's standard schedule for such charges as in effect from time to time.

2.19.5. Administration; Reimbursement by Lenders. Upon receipt from the beneficiary of any Facility LC of any demand for payment under such Facility LC, the LC Issuer shall notify the Agent and the Agent shall promptly notify the Company and each other Revolving Lender as to the amount to be paid by the LC Issuer as a result of such demand and the proposed payment date (the "**LC Payment Date**"). The responsibility of the LC Issuer to the Company and each Revolving Lender shall be only to determine that the documents (including each demand for payment) delivered under each Facility LC in connection with such presentment shall be in conformity in all material respects with such Facility LC. The LC Issuer shall endeavor to exercise the same care in the issuance and administration of the Facility LCs as it does with respect to letters of credit in which no participations are granted, it being understood that in the absence of any gross negligence or willful misconduct by the LC Issuer, each Revolving Lender shall be unconditionally and irrevocably liable without regard to the occurrence of any Default or any condition precedent whatsoever, to reimburse the LC Issuer on demand for (i) such Revolving Lender's Revolving Loan Pro Rata Share of the amount of each payment made by the LC Issuer under each Facility LC to the extent such amount is not reimbursed by the Company pursuant to Section 2.19.6 below, *plus* (ii) interest on the foregoing amount to be reimbursed by such Revolving Lender, for each day from the date of the LC Issuer's demand for such reimbursement (or, if such demand is made after 11:00 a.m. (Chicago time) on such date, from the next succeeding Business Day) to the date on which such Revolving Lender pays the amount to be reimbursed by it, at a rate of interest per annum equal to the rate applicable to Floating Rate Advances (or, in the case of the disbursement paid by the LC Issuer is denominated in a Foreign Currency, at the Overnight Foreign Currency Rate for such Agreed Currency plus the then effective Applicable Margin for Eurocurrency Advances).

2.19.6. Reimbursement by Company. The Company shall be irrevocably and unconditionally obligated to reimburse the LC Issuer on or before the applicable LC Payment Date for any amounts to be paid by the LC Issuer upon any drawing under any Facility LC, without presentment, demand, protest or other formalities of any kind and, subject to this Section 2.19.6, in the Agreed Currency which was paid by the LC Issuer; *provided* that neither the Company nor any Revolving Lender shall hereby be precluded from asserting any claim for direct (but not special, indirect, consequential or punitive) damages suffered by the Company or such Revolving Lender to the extent, but only to the extent, caused by (i) the willful misconduct or gross negligence of the LC Issuer in determining whether a request presented under any Facility LC issued by it complied with the terms of such Facility LC or (ii) the LC Issuer's failure to pay under any Facility LC issued by it after the presentation to it of a request strictly complying with the terms and conditions of such Facility LC. All such amounts paid by the LC Issuer and remaining unpaid by the Company shall bear interest, payable on demand, for each day until paid at a rate per annum equal to (x) the rate applicable to Floating Rate Advances for such day if such day falls on or before the applicable LC Payment Date and (y) the sum of 2% per annum *plus* the rate applicable to Floating Rate Advances for such day if such day falls after such LC Payment Date. The LC Issuer will pay to each Revolving Lender ratably in accordance with its Revolving Loan Pro Rata Share all amounts received by it from the Company for application in payment, in whole or in part, of the Reimbursement Obligation in respect of any Facility LC issued by the LC Issuer, but only to the extent such Revolving Lender has made payment to the LC

Issuer in respect of such Facility LC pursuant to Section 2.19.5. Subject to the terms and conditions of this Agreement (including without limitation the submission of a Borrowing Notice in compliance with Section 2.8 and the satisfaction of the applicable conditions precedent set forth in Article IV), the Company may request an Advance hereunder for the purpose of satisfying any Reimbursement Obligation. If the Company's reimbursement of, or obligation to reimburse, any amounts in any Foreign Currency would subject the Agent, LC Issuer or any Lender to any stamp duty, ad valorem charge or similar tax that would not be payable if such reimbursement were made or required to be made in Dollars, the Company shall, at its option, either (x) pay the amount of any such tax requested by the Agent, the LC Issuer or the relevant Lender or (y) pay each Reimbursement Obligation made in such Foreign Currency in Dollars, in the Dollar Amount thereof, calculated using the applicable exchange rates, on the date the underlying disbursement is made by the LC Issuer, of such disbursement.

2.19.7. Obligations Absolute. The Company's obligations under this Section 2.19 shall be absolute and unconditional under any and all circumstances and irrespective of any setoff, counterclaim or defense to payment which the Company may have or have had against the LC Issuer, any Lender or any beneficiary of a Facility LC. The Company further agrees with the LC Issuer and the Lenders that the LC Issuer and the Lenders shall not be responsible for, and the Company's Reimbursement Obligation in respect of any Facility LC shall not be affected by, among other things, the validity or genuineness of documents or of any endorsements thereon, even if such documents should in fact prove to be in any or all respects invalid, fraudulent or forged, or any dispute between or among the Company, any of its Affiliates, the beneficiary of any Facility LC or any financing institution or other party to whom any Facility LC may be transferred or any claims or defenses whatsoever of the Company or of any of its Affiliates against the beneficiary of any Facility LC or any such transferee. The LC Issuer shall not be liable for any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with any Facility LC. The Company agrees that any action taken or omitted by the LC Issuer or any Lender under or in connection with each Facility LC and the related drafts and documents, if done without gross negligence or willful misconduct, shall be binding upon the Company and shall not put the LC Issuer or any Lender under any liability to the Company. Nothing in this Section 2.19.7 is intended to limit the right of the Company to make a claim against the LC Issuer for damages as contemplated by the proviso to the first sentence of Section 2.19.6.

2.19.8. Actions of LC Issuer. The LC Issuer shall be entitled to rely, and shall be fully protected in relying, upon any Facility LC, draft, writing, resolution, notice, consent, certificate, affidavit, letter, cablegram, telegram, telecopy, telex or teletype message, statement, order or other document believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons, and upon advice and statements of legal counsel, independent accountants and other experts selected by the LC Issuer. The LC Issuer shall be fully justified in failing or refusing to take any action under this Agreement unless it shall first have received such advice or concurrence of the Required Revolving Lenders as it reasonably deems appropriate or it shall first be indemnified to its reasonable satisfaction by the Revolving Lenders against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. Notwithstanding any other provision of this Section 2.19, the LC Issuer shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement in accordance with a request

of the Required Revolving Lenders, and such request and any action taken or failure to act pursuant thereto shall be binding upon the Revolving Lenders and any future holders of a participation in any Facility LC.

2.19.9. Indemnification. The Company hereby agrees to indemnify and hold harmless each Lender, the LC Issuer and the Agent, and their respective directors, officers, agents and employees from and against any and all claims and damages, losses, liabilities, out-of-pocket costs or expenses which such Lender, the LC Issuer or the Agent may incur (or which may be claimed against such Lender, the LC Issuer or the Agent by any Person whatsoever) by reason of or in connection with the issuance, execution and delivery or transfer of or payment or failure to pay under any Facility LC or any actual or proposed use of any Facility LC, including, without limitation, any claims, damages, losses, liabilities, out-of-pocket costs or expenses which the LC Issuer may incur by reason of or in connection with (i) the failure of any other Lender to fulfill or comply with its obligations to the LC Issuer hereunder (but nothing herein contained shall affect any rights the Company may have against any Defaulting Lender) or (ii) by reason of or on account of the LC Issuer issuing any Facility LC which specifies that the term "Beneficiary" included therein includes any successor by operation of law of the named Beneficiary, but which Facility LC does not require that any drawing by any such successor Beneficiary be accompanied by a copy of a legal document, satisfactory to the LC Issuer, evidencing the appointment of such successor Beneficiary; *provided* that the Company shall not be required to indemnify any Lender, the LC Issuer or the Agent for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by (x) the willful misconduct or gross negligence of the LC Issuer in determining whether a request presented under any Facility LC complied with the terms of such Facility LC or (y) the LC Issuer's failure to pay under any Facility LC after the presentation to it of a request strictly complying with the terms and conditions of such Facility LC. Nothing in this Section 2.19.9 is intended to limit the obligations of the Company under any other provision of this Agreement.

2.19.10. Lenders' Indemnification. Each Revolving Lender shall, ratably in accordance with its Revolving Loan Pro Rata Share, indemnify the LC Issuer, its affiliates and their respective directors, officers, agents and employees (to the extent not reimbursed by the Company) against any cost, expense (including reasonable counsel fees and disbursements), claim, demand, action, loss or liability (except as determined in a final non-appealable judgment by a court of competent jurisdiction to have resulted from such indemnitees' gross negligence or willful misconduct or the LC Issuer's failure to pay under any Facility LC after the presentation to it of a request strictly complying with the terms and conditions of the Facility LC) that such indemnitees may suffer or incur in connection with this Section 2.19 or any action taken or omitted by such indemnitees hereunder.

2.19.11. Facility LC Collateral Account. The Company agrees that it will, upon the request of the Agent or the Required Revolving Lenders and until the final expiration date of any Facility LC and thereafter as long as any amount is payable to the LC Issuer or the Revolving Lenders in respect of any Facility LC, maintain a special collateral account pursuant to arrangements satisfactory to the Agent (the "**Facility LC Collateral Account**") at the Agent's office at the address specified pursuant to Article XIII, in the name of the Company but under the sole dominion and control of the Agent, for the benefit of the Lenders and in which the Company shall have no interest other than as set forth in Section 2.7(b) or 8.1. The Company hereby pledges, assigns and grants to the Agent, on behalf of and for

the ratable benefit of the Lenders and the LC Issuer, a security interest in all of the Company's right, title and interest in and to all funds which may from time to time be on deposit in the Facility LC Collateral Account to secure the prompt and complete payment and performance of the Obligations. The Agent will invest any funds on deposit from time to time in the Facility LC Collateral Account in certificates of deposit of JPMorgan having a maturity not exceeding 30 days. Nothing in this Section 2.19.11 shall either obligate the Agent to require the Company to deposit any funds in the Facility LC Collateral Account or limit the right of the Agent to release any funds held in the Facility LC Collateral Account in each case other than as required by Section 2.7(b) or 8.1.

2.19.12. Rights as a Lender. In its capacity as a Lender, the LC Issuer shall have the same rights and obligations as any other Lender.

2.19.13. Transitional Letter of Credit Provisions. From and after the Closing Date, the letters of credit described on Schedule 2.19.13 (the "**Existing Letters of Credit**") shall be deemed to constitute Facility LCs issued pursuant to Section 2.19.1 in which the Lenders participate pursuant to Section 2.19.2. Fees shall accrue in respect of the Existing Letters of Credit as provided in Section 2.19.4 beginning as of the Closing Date.

2.20. Replacement of Lender. If a Borrower is required pursuant to Section 3.1, 3.2, 3.5 or 3.6 to make any additional or increased payment to any Lender, if any Lender's obligation to make or continue, or to convert Floating Rate Advances into, Eurocurrency Advances shall be suspended pursuant to Section 3.3 or if any Lender becomes a Defaulting Lender (any Lender so affected an "**Affected Lender**"), the Company may elect, if such amounts continue to be charged, such suspension is still effective or such Lender remains a Defaulting Lender, to replace such Affected Lender as a Lender party to this Agreement, *provided* that no Default or Unmatured Default shall have occurred and be continuing at the time of such replacement, and *provided further* that, concurrently with such replacement, (i) another bank or other entity which is reasonably satisfactory to the Company, the Agent and (if such Affected Lender is a Revolving Lender) JPMorgan in its capacity as LC Issuer and Swing Line Lender shall agree, as of such date, to purchase for cash the Advances and other Obligations due to the Affected Lender pursuant to an assignment substantially in the form of Exhibit C and to become a Lender for all purposes under this Agreement and to assume all obligations of the Affected Lender to be terminated as of such date and to comply with the requirements of Section 12.3 applicable to assignments, and (ii) the Borrowers shall pay to such Affected Lender in same day funds on the day of such replacement (A) all interest, fees and other amounts then accrued but unpaid to such Affected Lender by the Borrowers hereunder to and including the date of termination, including without limitation payments due to such Affected Lender under Sections 3.1, 3.2, 3.5 and 3.6, and (B) an amount, if any, equal to the payment which would have been due to such Lender on the day of such replacement under Section 3.4 had the Loans of such Affected Lender been prepaid on such date rather than sold to the replacement Lender.

2.21. Defaulting Lenders. Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) fees shall cease to accrue on the unfunded portion of the Revolving Loan Commitment of such Defaulting Lender pursuant to Section 2.5(a);

(b) the Revolving Loan Commitment, Outstanding Revolving Credit Exposure, Term Loan Commitment and outstanding Term Loans of such Defaulting Lender shall not be included in

determining whether the Required Revolving Lenders or the Required Lenders have taken or may take any action hereunder (including any consent to any amendment, waiver or other modification pursuant to Section 8.2); *provided,* that (i) such Defaulting Lender's Revolving Loan Commitment or Term Loan Commitment may not be increased or extended without its consent and (ii) the principal amount of, or interest or fees payable on, Loans or Reimbursement Obligations may not be reduced or excused or the scheduled date of payment may not be postponed as to such Defaulting Lender without such Defaulting Lender's consent;

(c) if any Swing Line Exposure or LC Obligations exist at the time such Lender becomes a Defaulting Lender then:

(i) all or any part of the Swing Line Exposure and LC Obligations of such Defaulting Lender shall be reallocated among the non-Defaulting Lenders in accordance with their respective Revolving Loan Pro Rata Shares but only to the extent the sum of all non-Defaulting Lenders' Outstanding Revolving Credit Exposures *plus* such Defaulting Lender's Swing Line Exposure and LC Obligations does not exceed the total of all non-Defaulting Lenders' Revolving Loan Commitments;

(ii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, the Company shall within one (1) Business Day following notice by the Agent (x) first, prepay such Swing Line Exposure and (y) second, cash collateralize for the benefit of the LC Issuer only the Company's obligations corresponding to such Defaulting Lender's LC Obligations (after giving effect to any partial reallocation pursuant to clause (i) above) in accordance with the procedures set forth in Section 8.1 for so long as such LC Obligations are outstanding;

(iii) if the Company cash collateralizes any portion of such Defaulting Lender's LC Obligations pursuant to clause (ii) above, the Company shall not be required to pay any letter of credit fees to such Defaulting Lender pursuant to Section 2.19.4 with respect to such Defaulting Lender's LC Obligations during the period such Defaulting Lender's LC Obligations are cash collateralized;

(iv) if the LC Obligations of the non-Defaulting Lenders are reallocated pursuant to clause (i) above, then the fees payable to the Lenders pursuant to Section 2.5(a) and Section 2.19.4 shall be adjusted in accordance with such non-Defaulting Lenders' Revolving Loan Pro Rata Shares; and

(v) if all or any portion of such Defaulting Lender's LC Obligations is neither reallocated nor cash collateralized pursuant to clause (i) or (ii) above, then, without prejudice to any rights or remedies of the LC Issuer or any other Lender hereunder, all letter of credit fees payable under Section 2.19.4 with respect to such Defaulting Lender's LC Obligations shall be payable to the LC Issuer until and to the extent that such LC Obligations are reallocated and/or cash collateralized; and

(d) so long as such Lender is a Defaulting Lender, the Swing Line Lender shall not be required to fund any Swing Line Loan and the LC Issuer shall not be required to issue or Modify any Facility LC, unless it is satisfied that the related exposure and the Defaulting Lender's then outstanding LC Obligations will be 100% covered by the Revolving Loan Commitments of the non-Defaulting Lenders and/or cash collateral will be provided by the Company in accordance with Section 2.21(c), and participating interests in any newly made Swing Line Loan or any newly issued or increased Facility LC

shall be allocated among non-Defaulting Lenders in a manner consistent with Section 2.21(c)(i) (and such Defaulting Lender shall not participate therein).

If (i) a Bankruptcy Event with respect to a Parent of any Lender shall occur following the date hereof and for so long as such event shall continue or (ii) the Swing Line Lender or the LC Issuer has a good faith belief that any Lender has defaulted in fulfilling its obligations under one or more other agreements in which such Lender commits to extend credit, the Swing Line Lender shall not be required to fund any Swing Line Loan and the LC Issuer shall not be required to issue or Modify any Facility LC, unless the Swing Line Lender or the LC Issuer, as the case may be, shall have entered into arrangements with the Company or such Lender, satisfactory to the Swing Line Lender or the LC Issuer, as the case may be, to defease any risk to it in respect of such Lender hereunder.

In the event that the Agent, the Company, the LC Issuer and the Swing Line Lender each agrees that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then the Swing Line Exposure and LC Obligations of the Lenders shall be readjusted to reflect the inclusion of such Lender's Revolving Loan Commitment and on such date such Lender shall purchase at par such of the Revolving Loans of the other Lenders as the Agent shall determine may be necessary in order for such Lender to hold such Loans in each Agreed Currency of each Borrower in accordance with its Revolving Loan Pro Rata Share.

Nothing contained in the foregoing shall be deemed to constitute a waiver by any Borrower of any of its rights or remedies (whether in equity or law) against any Lender which fails to fund any of its Loans hereunder at the time or in the amount required to be funded under the terms of this Agreement.

2.22. Judgment Currency. If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due from any Borrower hereunder in the currency expressed to be payable herein (the "**specified currency**") into another currency, the parties hereto agree, to the fullest extent that they may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures applicable to arm's length transactions the Agent could purchase the specified currency with such other currency at the Agent's main office in Chicago, Illinois on the Business Day preceding that on which the final, non-appealable judgment is given. The obligations of the applicable Borrower in respect of any sum due to any Lender or the Agent hereunder shall, notwithstanding any judgment in a currency other than the specified currency, be discharged only to the extent that on the Business Day following receipt by such Lender or the Agent (as the case may be) of any sum adjudged to be so due in such other currency such Lender or the Agent (as the case may be) may in accordance with normal, reasonable banking procedures purchase the specified currency with such other currency. If the amount of the specified currency so purchased is less than the sum originally due to such Lender or the Agent, as the case may be, in the specified currency, such Borrower agrees, to the fullest extent that it may effectively do so, as a separate obligation and notwithstanding any such judgment, to indemnify such Lender or the Agent, as the case may be, against such loss, and if the amount of the specified currency so purchased exceeds (a) the sum originally due to any Lender or the Agent, as the case may be, in the specified currency and (b) any amounts shared with other Lenders as a result of allocations of such excess as a disproportionate payment to such Lender under Section 11.2, such Lender or the Agent, as the case may be, agrees to remit such excess to the applicable Borrower.

2.23. Market Disruption. Notwithstanding the satisfaction of all conditions referred to in Article II with respect to any Advance in any Foreign Currency, if there shall occur on or prior to the date of such Advance any change in national or international financial, political or economic conditions or currency exchange rates or exchange controls which would in the reasonable opinion of the applicable Borrower, the Agent or the Required Revolving Lenders make it impracticable for the Eurocurrency Loans comprising

such Advance to be denominated in the Agreed Currency specified by the applicable Borrower, then the Agent shall forthwith give notice thereof to such Borrower and the Revolving Lenders or such Borrower shall give notice thereof to the Revolving Lenders, as the case may be, and such Eurocurrency Loans shall not be denominated in such currency but shall be made on such Borrowing Date in Dollars, in an aggregate principal amount equal to the Dollar Amount of the aggregate principal amount specified in the related Borrowing Notice, as Floating Rate Loans, unless the applicable Borrower notifies the Agent at least one Business Day before such date that (a) it elects not to borrow on such date or (b) it elects to borrow on such date in a different Agreed Currency, as the case may be, in which the denomination of such Eurocurrency Loans would in the opinion of the Agent and the Required Revolving Lenders be practicable and in an aggregate principal amount equal to the Dollar Amount of the aggregate principal amount specified in the related Borrowing Notice.

2.24. Foreign Subsidiary Borrowers.

2.24.1. Additional Dutch Borrowers. The Company may, at any time, add as a party to this Agreement each of Applied Power Europa B.V. and Enerpac B.V., each a Dutch Subsidiary, as a "Foreign Subsidiary Borrower" hereunder by (a) the execution and delivery to the Agent of a duly completed Assumption Letter by such Subsidiary, with the written consent of each other Borrower, (b) the execution and delivery to the Agent of such documents, instruments, opinions and certificates as shall be required in order to permit the Borrowers to be in compliance with Section 16.2 in connection with the joinder of such Foreign Subsidiary Borrower hereto, (c) in the case of the addition of Enerpac B.V., a deed of amendment to the articles of association of Enerpac B.V., *inter alia*, to allow for the transfer of voting rights of shares in Enerpac B.V. to a pledgee, (d) the execution and delivery to the Agent of such documents, notices, instruments, opinions, positive works council advices (including the works council of Power-Packer Europa B.V. and of Enerpac B.V.), documents of title and certificates as shall be required in order to permit the Borrowers to be in compliance with Section 6.21(d) after giving effect to the joinder of such Foreign Subsidiary Borrower hereto and (e) the Company or such proposed Foreign Subsidiary Borrower shall have satisfied such matters of applicable law (including tax matters) where such Subsidiary is organized as the Agent or its counsel may reasonably request. This Agreement may be amended pursuant to an amendment or an amendment and restatement (a "**Dutch Borrower Amendment**") executed by the Company, the applicable Additional Dutch Borrower and the Agent, without the consent of any other Lenders, in order to effect such amendments to this Agreement as may be necessary or appropriate, in the reasonable opinion of the Agent and its counsel, to effect the preceding clause (e). Upon such execution, delivery and consent, such Subsidiary shall for all purposes be a party hereto as a Foreign Subsidiary Borrower as fully as if it had executed and delivered this Agreement.

2.24.2. Removal of Foreign Subsidiary Borrower. The Company may at any time execute and deliver to the Agent a Subsidiary Borrower Termination with respect to any Foreign Subsidiary Borrower, whereupon such Subsidiary shall cease to be a Foreign Subsidiary Borrower and a party to this Agreement. Notwithstanding the preceding sentence, no Subsidiary Borrower Termination will become effective as to any Foreign Subsidiary Borrower at a time when any principal of or interest on any Loan to such Foreign Subsidiary Borrower or any other amount due and payable by such Foreign Subsidiary Borrower shall be outstanding hereunder.

ARTICLE III

YIELD PROTECTION; TAXES

3.1. Yield Protection. If any Change in Law:

(iii) subjects the Agent, any Lender or the LC Issuer to any taxes (other than (A) Taxes, (B) Other Taxes, (C) Other Connection Taxes on gross or net income, profits or revenue (including value-added or similar Taxes), (D) Excluded Taxes or (E) UK Tax attributable to a Tax Deduction required by law to be made by a Borrower or compensated for by Section 3.6) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto, or

(iv) imposes or increases or deems applicable any reserve, special deposit, liquidity or similar requirement (including any compulsory loan requirement, insurance charge or other assessment) against assets of, deposits with or for the account of, or credit extended by, any Lender or any applicable Lending Installation or the LC Issuer (other than reserves and assessments taken into account in determining the interest rate applicable to Eurocurrency Advances), or

(v) imposes any other condition the result of which is to increase the cost to any Lender or any applicable Lending Installation or the LC Issuer of making, funding or maintaining its Eurocurrency Loans, or of issuing or participating in Facility LCs, or reduces any amount receivable by any Lender or any applicable Lending Installation or the LC Issuer in connection with its Eurocurrency Loans, Facility LCs or participations therein, or requires any Lender or any applicable Lending Installation or the LC Issuer to make any payment calculated by reference to the amount of Eurocurrency Loans, Facility LCs or participations therein held or interest or LC Fees received by it, by an amount deemed material by such Lender or the LC Issuer as the case may be,

and the result of any of the foregoing is to increase the cost to the Agent, such Lender or applicable Lending Installation or the LC Issuer, as the case may be, of making, continuing, converting into or maintaining its Loans, Revolving Loan Commitment or Term Loan Commitment or of issuing or participating in Facility LCs or to reduce the return received by the Agent, such Lender or applicable Lending Installation or the LC Issuer, as the case may be, in connection with such Loans, Revolving Loan Commitment or Term Loan Commitment, Facility LCs or participations therein (including, in any such instance and without limitation, pursuant to any conversion of any Loan denominated in an Agreed Currency into a Loan denominated in any other Agreed Currency), then, within 15 days of demand by the Agent, such Lender or the LC Issuer, as the case may be, the Borrowers shall pay the Agent, such Lender or the LC Issuer, as the case may be, such additional amount or amounts as will compensate the Agent, such Lender or the LC Issuer, as the case may be, for such increased cost or reduction in amount received (which determination shall be made in good faith (and not on an arbitrary or capricious basis) and consistent with similarly situated customers of the applicable Lender, the LC Issuer or such other recipient under agreements having provisions similar to this Section 3.1 after consideration of such factors as such Lender, the LC Issuer or such other recipient then reasonably determines to be relevant; *provided* that none of the Agent, such Lender or the LC Issuer, as applicable, shall be required to disclose any confidential or proprietary information in connection therewith).

3.2. Changes in Capital Adequacy Regulations . If a Lender or the LC Issuer determines the amount of capital or liquidity required or expected to be maintained by such Lender or the LC Issuer, any

Lending Installation of such Lender or the LC Issuer, or any corporation controlling such Lender or the LC Issuer is increased as a result of a Change in Law, then, within 15 days of demand by such Lender or the LC Issuer, the applicable Borrower shall pay such Lender or the LC Issuer the amount necessary to compensate for any shortfall in the rate of return on the portion of such increased capital which such Lender or the LC Issuer determines is attributable to this Agreement, its Outstanding Revolving Credit Exposure, its Term Loans or Revolving Loan Commitment or Term Loan Commitment or its commitment to issue Facility LCs as the case may be, hereunder (after taking into account such Lender's or the LC Issuer's policies as to capital adequacy and liquidity) (which determination shall be made in good faith (and not on an arbitrary or capricious basis) and consistent with similarly situated customers of the applicable Lender, the LC Issuer or such other recipient under agreements having provisions similar to this Section 3.2 after consideration of such factors as such Lender, the LC Issuer or such other recipient then reasonably determines to be relevant; *provided* that none of the Agent, such Lender or the LC Issuer, as applicable, shall be required to disclose any confidential or proprietary information in connection therewith).

3.3. Availability of Types of Advances . If (a) any Lender determines that maintenance of its Eurocurrency Loans at a suitable Lending Installation would violate any applicable law, rule, regulation, or directive, whether or not having the force of law, (b) the Agent determines (which determination shall be conclusive and binding absent manifest error) that adequate and reasonable means (including, without limitation, by means of an Interpolated Rate) do not exist for ascertaining the Adjusted Eurocurrency Base Rate or Eurocurrency Base Rate, as applicable, for any Eurocurrency Advance for any Interest Period or (c) the Required Lenders determine that the Adjusted Eurocurrency Base Rate or the Eurocurrency Base Rate, as applicable, for any Eurocurrency Advance for any Interest Period will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in such Advance for such Interest Period or the applicable Agreed Currency, then the Agent shall suspend the availability of Eurocurrency Advances and require any affected Eurocurrency Advances to be repaid or converted to Floating Rate Advances, subject to the payment of any funding indemnification amounts required by Section 3.4.

3.4. Funding Indemnification. If any payment of a Eurocurrency Advance occurs on a date which is not the last day of the applicable Interest Period, whether because of acceleration, prepayment or otherwise, or a Eurocurrency Advance is not made or continued, or a Floating Rate Advance is not converted into a Eurocurrency Advance, on the date specified by the applicable Borrower for any reason other than default by the Lenders, or a Eurocurrency Advance is not prepaid on the date specified by such Borrower for any reason, or a Eurocurrency Advance is assigned other than on the last day of an Interest Period therefor as a result of a request by the Borrower pursuant to Section 2.20, such Borrower will indemnify each Lender for any loss or cost incurred by it resulting therefrom, including, without limitation, any loss or cost in liquidating or employing deposits acquired to fund or maintain such Eurocurrency Advance.

3.5. Taxes.

3.5.1. All payments by the Borrowers to or for the account of any Lender, the LC Issuer or the Agent hereunder or under any Note, Facility LC Application or any other Loan Document shall be made free and clear of and without deduction for any and all Taxes. If any Borrower shall be required by law to deduct any Taxes from or in respect of any sum payable hereunder or under any other Loan Document to any Lender, the LC Issuer or the Agent, (a) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 3.5) such Lender, the LC Issuer or the Agent (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (b) such Borrower

shall make such deductions, (c) such Borrower shall pay the full amount deducted to the relevant authority in accordance with applicable law and (d) such Borrower shall furnish to the Agent the original copy of a receipt evidencing payment thereof within 30 days after such payment is made.

3.5.2. In addition, each Borrower hereby agrees to pay any present or future stamp or documentary taxes related to any Loan Party and any other excise or property taxes, charges or similar levies related to such Loan Party which arise from any payment hereunder or under any Note, Facility LC Application, or other Loan Document or from the execution or delivery of, or otherwise with respect to, this Agreement or any Note, Facility LC Application or other Loan Document ("**Other Taxes**").

3.5.3. Each Borrower hereby agrees to indemnify the Agent, the LC Issuer and each Lender for the full amount of Taxes or Other Taxes (including, without limitation, any Taxes or Other Taxes imposed on amounts payable under this Section 3.5) related to any Loan Party paid by the Agent, the LC Issuer or such Lender as a result of its Revolving Loan Commitment, its Term Loan Commitment, any Loans made by it hereunder, or otherwise in connection with its participation in this Agreement and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto. Payments due under this indemnification shall be made within 30 days of the date the Agent, the LC Issuer or such Lender makes demand therefor.

3.5.4. Each Lender agrees that it will, not more than ten Business Days after the date of this Agreement and at such other times prescribed by applicable law, deliver to each Borrower (with a copy to the Agent) such properly completed and executed documentation prescribed by applicable law or reasonably requested by such Borrower as will demonstrate that such Lender is entitled to an exemption from withholding tax under the law of the jurisdiction in which such Borrower is located or a treaty to which such jurisdiction is a party and will permit payments by such Borrower hereunder to be made without withholding. Without limiting the generality of the foregoing, in the event that a Borrower is resident for tax purposes in the United States of America, any Lender that is not organized under the laws of the United States of America or a state thereof (each a "**Non-U.S. Lender**") agrees that it will, not more than ten Business Days after the date of this Agreement, (i) deliver to the Agent two duly completed copies of United States Internal Revenue Service Form W-8BEN, W-8ECI or W-8IMY, certifying in either case that such Lender is entitled to receive payments under this Agreement without deduction or withholding of any United States federal income taxes, and (ii) deliver to the Agent a United States Internal Revenue Form W-8 and certify that it is entitled to an exemption from United States backup withholding tax. Each Non-U.S. Lender further undertakes to deliver to each of the Company and the Agent (x) renewals or additional copies of such IRS form (or any successor form) on or before the date that such form expires or becomes obsolete, and (y) after the occurrence of any event requiring a change in the most recent IRS forms so delivered by it, such additional forms or amendments thereto as may be reasonably requested by the Company or the Agent. All documentation, forms or amendments described in the first or second sentence of this Section 3.5.4 shall certify or otherwise demonstrate that such Lender is entitled to receive payments under this Agreement without deduction or withholding of any income taxes in the applicable jurisdiction, *unless* an event (including without limitation any change in treaty, law or regulation) has occurred prior to the date on which any such delivery would otherwise be required which renders all such documentation inapplicable or which would prevent such

Lender from duly completing and delivering any such documentation or amendment with respect to it and such Lender advises the Borrowers and the Agent that it is not capable of receiving payments without any deduction or withholding of income tax in such jurisdiction. Each Lender shall promptly notify the Agent of any change in circumstances which would modify or render invalid any claimed exemption from withholding of income tax in any such jurisdiction.

3.5.5. For any period during which a Lender has failed to provide a Borrower with appropriate documentation pursuant to Section 3.5.4 (unless such failure is due to a change in treaty, law or regulation, or any change in the interpretation or administration thereof by any Governmental Authority, occurring subsequent to the date of this Agreement or, in the case of a Lender that became a party to this Agreement pursuant to an assignment, the assigning Lender was entitled, at the time of the assignment, to receive additional amounts with respect to such withholding tax pursuant to this Section 3.5), such Lender shall not be entitled to indemnification under this Section 3.5 by such Borrower with respect to Taxes imposed by the jurisdiction in which such Borrower is located *provided* that, should a Lender which is otherwise exempt from or subject to a reduced rate of withholding tax become subject to Taxes because of its failure to deliver a form required under Section 3.5.4, the Borrowers shall take such steps as such Lender shall reasonably request to assist such Lender to recover such Taxes.

3.5.6. Each Lender shall severally indemnify the Agent for any taxes (but, in the case of any Taxes or Other Taxes, only to the extent that any Borrower has not already indemnified the Agent for such Taxes or Other Taxes and without limiting the obligation of the Borrower to do so) attributable to such Lender that are paid or payable by the Agent in connection with any Loan Document and any reasonable expenses arising therefrom or with respect thereto, whether or not such taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. The indemnity under this Section 3.5.6 shall be paid within ten (10) days after the Agent delivers to the applicable Lender a certificate stating the amount of taxes so paid or payable by the Agent. Such certificate shall be conclusive of the amount so paid or payable absent manifest error. The obligations of the Lenders under this Section 3.5.6 shall survive the payment of the Obligations and termination of this Agreement.

3.5.7. If a payment made to a Lender under any Loan Document would be subject to United States federal withholding tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Agent as may be necessary for the Borrower and the Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this Section 3.5.7, “FATCA” shall include any amendments made to FATCA after the date of this Agreement.

3.5.8. For purposes of Section 3.5, the terms “Lender” or “Lenders” shall include the LC Issuer, as appropriate.

3.6. UK Tax.

(e) Definitions:

“**Protected Party**” means a Lender, the LC Issuer or the Agent which is or will be subject to any liability or required to make any payment for or on account of UK Tax, in relation to a sum received or receivable (or any sum deemed for the purposes of UK Tax to be received or receivable) under a Loan Document.

“**Qualifying Lender**” means:

(i) a Lender (other than a Lender within sub-paragraph (ii) below) which is beneficially entitled to interest payable to that Lender in respect of an advance under a Loan Document and is:

(A) a Lender:

(I) which is a bank (as defined for the purpose of section 879 of the Income Tax Act 2007) making an advance under a Loan Document; or

(II) in respect of an advance made under a Loan Document by a person that was a bank (as defined for the purpose of section 879 of the Income Tax Act 2007) at the time that that advance was made,

and which is within the charge to United Kingdom corporation tax as respects any payments of interest made in respect of that advance; or

(B) a Lender which is:

(I) a company resident in the United Kingdom for United Kingdom tax purposes; or

(II) a partnership each member of which is:

1) a company resident in the United Kingdom; or

2) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account in computing its chargeable profits (for the purposes of section 19 of the Corporation Tax Act 2009) the whole of any share of interest payable in respect of that advance that falls to it by reason of Part 17 of the Corporation Tax Act 2009; or

(III) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account interest payable in respect of that advance in computing its chargeable profits (within the meaning given by section 19 of the Corporation Tax Act 2009).

(C) a Treaty Lender; or

(ii) a building society (as defined for the purpose of section 880 of the Income Tax Act 2007) making an advance under a Loan Document.

"**Tax Credit**" means a credit against, relief or remission for, or repayment of any UK Tax.

"**Tax Deduction**" means a deduction or withholding for or on account of UK Tax from a payment under a Loan Document.

"**Tax Payment**" means either an increased payment made by a Borrower to a Lender under 3.6(e) (Tax gross-up) or a payment under 3.6(j) (Tax indemnity).

"**Treaty Lender**" means a Lender which:

(i)is treated as a resident of a Treaty State for the purposes of the Treaty;

(ii) does not carry on a business in the United Kingdom through a permanent establishment with which that Lender's participation in the Loan is effectively connected; and

(iii) satisfies all other conditions under that Treaty for a payment of interest made by a UK Subsidiary under a Loan to be exempt from UK income tax (and any identical or substantially similar tax that is imposed after the date of this Agreement in addition to, or in place of, UK income tax).

"**Treaty State**" means a jurisdiction having a double taxation agreement (a " **Treaty**") with the United Kingdom which makes provision for full exemption from tax imposed by the United Kingdom on interest.

"**VAT**" means value added tax as provided for in the Value Added Tax Act 1994 and any other tax of a similar nature.

(f) Unless a contrary indication appears, in this Section 3.6 a reference to "determines" or "determined" means a determination made in the absolute discretion of the person making the determination.

(g) Each Borrower shall make all payments to be made by it under a Loan Document without any Tax Deduction, unless a Tax Deduction is required by law.

(h) Each Borrower shall promptly upon becoming aware that it must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Agent accordingly. Similarly, a Lender shall notify the Agent on becoming so aware in respect of a payment payable to that Lender. If the Agent receives such notification from a Lender it shall notify that Borrower.

(i) If a Tax Deduction is required by law to be made by a Borrower under a Loan Document, the amount of the payment due from that Borrower shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.

(j) A Borrower is not required to make an increased payment to a Lender under paragraph (e) above for a Tax Deduction in respect of tax imposed by the United Kingdom from a payment of interest on a Loan, if on the date on which the payment falls due the payment could have been made to the relevant Lender without a Tax Deduction if it was a Qualifying Lender, but on that date that Lender is not or has ceased to be a Qualifying Lender other than as a result of any change after the date it became a Lender under this Agreement in (or in the interpretation, administration, or application of) any law or any published practice or concession of any relevant taxing authority; or

(i) (A) the relevant Lender is a Qualifying Lender solely under sub-paragraph (i)(B) of the definition of Qualifying Lender;

(B) an officer of H.M. Revenue & Customs has given (and not revoked) a direction (a " **Direction**") under section 931 of the Income Tax Act 2007 (as that provision has effect on the date on which the relevant Lender became a party hereto) which relates to that payment and that Lender has received from such Borrower or the Company a certified copy of that Direction; and

(C) the payment could have been made to the Lender without any Tax Deduction in the absence of that Direction; or

(ii) The relevant Lender is a Treaty Lender and the Lender fails to comply with its obligations under paragraph (i)(A) and (B) below, unless:

(A) such failure is due to a change after the date it became a Lender under this Agreement in (or in the interpretation, administration, or application of) any law or any published practice or concession of any relevant taxing authority; or

(B) the Lender is able to demonstrate that the payment could have been made to the Lender without a Tax Deduction had the Borrower complied with its obligations under clause (i)(A) below.

(k) If a Borrower is required to make a Tax Deduction, that Borrower shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.

(l) Within 30 days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Borrower making that Tax Deduction shall deliver to the Agent for the Lender entitled to the payment a statement under Section 975 of the Income Tax Act 2007 or other evidence reasonably satisfactory to the Lender that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

(m)

(A) Treaty Lender and each Borrower which makes a payment to which that Treaty Lender is entitled shall co-operate in completing any procedural formalities necessary for that Borrower to obtain authorization to make that payment without a Tax Deduction.

(B) Without prejudice to the generality of clause (A) above, each Treaty Lender shall, either (1) file not more than ten Business Days after the date it became a Lender under this Agreement with the relevant taxing authority such properly completed and executed documentation required in order for each relevant Borrower to make payment to that Treaty Lender without a Tax Deduction; or (2) notify the Company not more than ten Business Days after the date it became a Lender under this Agreement of its HMRC DT Treaty Passport scheme (the "**Scheme**") reference number and the jurisdiction in which it is resident for Tax purposes. If a Treaty Lender provides a notification to a UK Borrower under (2) above, the UK Borrower shall file a duly completed form DTTP2 in respect of such Lender with H.M. Revenue & Customs within 30 Business Days of the date on which the Lender became a Lender under this Agreement. Each Treaty Lender shall file such properly completed and executed documentation required to renew any authorization (including a passport issued to the Lender under the Scheme) for each relevant Borrower to make payment to that Treaty Lender without a Tax Deduction no less than 20 Business Days before such authorization expires or becomes obsolete.

(C) Each Treaty Lender shall, if requested by a relevant Borrower, notify such Borrower of any filings made by it in accordance with this paragraph (i). Each Borrower, shall if requested by a relevant Treaty Lender, notify such Treaty Lender of any filings made by it in accordance with this paragraph (i).

(n) Each Borrower shall (within 3 Business Days of demand by the Agent) pay to a Protected Party an amount equal to the loss, liability or cost which that Protected Party determines will be or has been (directly or indirectly) suffered for or on account of UK Tax by that Protected Party in respect of a Loan Document.

(o) Paragraph (j) above shall not apply with respect to any UK Tax assessed on a Protected Party:

(A) under the law of the jurisdiction in which that Protected Party is incorporated or, if different, the jurisdiction (or jurisdictions) in which that Protected Party is treated as resident for tax purposes; or

(B) under the law of the jurisdiction in which that Protected Party's facility office is located in respect of amounts received or receivable in that jurisdiction,

if that UK Tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by that Protected Party.

(p) Furthermore, paragraph (j) above shall not apply to the extent a loss, liability or cost:

(A) is compensated for by an increased payment under paragraphs (c) to (h) above; or

(B) would have been compensated for by an increased payment under paragraphs (c) to (h) above but was not so compensated solely because one of the exclusions in paragraph (f) applied.

(q) A Protected Party making, or intending to make a claim under paragraph (j) above shall promptly notify the Agent of the event which will give, or has given, rise to the claim, following which the Agent shall notify the Borrower.

(r) A Protected Party shall, on receiving a payment from a Borrower under paragraph (j), notify the Agent.

(s) If a Borrower makes a Tax Payment and the relevant Lender determines that:

(A) a Tax Credit is attributable to that Tax Payment; and

(B) that Lender has obtained, utilized and retained that Tax Credit,

the relevant Lender shall pay an amount to the Borrower which that Lender determines will leave it (after that payment) in the same after-Tax position as it would have been in had the Tax Payment not been made by the Borrower.

(t) Each Borrower shall pay and, within three Business Days of demand, indemnify each Lender against any cost, loss or liability that Lender incurs in relation to all stamp duty, registration and other similar UK Taxes payable in respect of any Loan Document (excluding, for the avoidance of doubt, any such UK Tax arising in connection with an assignment or transfer by that Lender of its rights under any Loan Document).

(u) All amounts set out, or expressed to be payable under a Loan Document by any party to a Lender which (in whole or part) constitute the consideration for VAT purposes shall be deemed to be exclusive of any VAT which is chargeable on such supply, and accordingly, subject to paragraph (r) below, if VAT is chargeable on any supply made by any Lender to any party under a Loan Document, that party shall pay to the Lender (in addition to and at the same time as paying the consideration) an amount equal to the amount of the VAT (and such Lender shall promptly provide an appropriate VAT invoice to such party).

(v) Where a Loan Document requires any party to reimburse a Lender for any costs or expenses, that party shall also at the same time pay and indemnify the Lender against all VAT incurred by the Lender in respect of the costs or expenses to the extent that the Lender reasonably determines that neither it nor any other member of any group of which it is a member for VAT purposes is entitled to credit or repayment from the relevant tax authority in respect of the VAT.

3.7. Lender Statements; Survival of Indemnity. To the extent reasonably possible, each Lender shall designate an alternate Lending Installation with respect to its Eurocurrency Loans to reduce any liability of the Borrowers to such Lender under Sections 3.1, 3.2, 3.5 and 3.6 or to avoid the unavailability of Eurocurrency Advances under Section 3.3, so long as such designation is not, in the judgment of such Lender, disadvantageous to such Lender. Each Lender shall deliver a written statement of such Lender to the applicable Borrower (with a copy to the Agent) as to the amount due, if any, under Section 3.1, 3.2, 3.4, 3.5 or 3.6. Such written statement shall set forth in reasonable detail the calculations upon which such Lender determined such amount and shall be final, conclusive and binding on such Borrower in the absence of

manifest error. Determination of amounts payable under such Sections in connection with a Eurocurrency Loan shall be calculated as though each Lender funded its Eurocurrency Loan through the purchase of a deposit of the type, currency and maturity corresponding to the deposit used as a reference in determining the Eurocurrency Rate applicable to such Loan, whether in fact that is the case or not. Unless otherwise provided herein, the amount specified in the written statement of any Lender shall be payable on demand after receipt by the applicable Borrower of such written statement. The obligations of the Borrowers under Sections 3.1, 3.2, 3.4, 3.5 and 3.6 shall survive payment of the Obligations and termination of this Agreement.

ARTICLE IV

CONDITIONS PRECEDENT

4.1. Effectiveness of Agreement and Initial Credit Extension. Notwithstanding the execution and delivery of this Agreement on the Closing Date, this Agreement shall not become effective, the Existing Credit Agreement shall not be superseded as provided in Section 1.3, no commitment to make Credit Extensions shall arise and no Lender shall be required to make the initial Credit Extension hereunder unless, on or before August 30, 2013:

(a) the Company has furnished to the Agent with sufficient copies for the Lenders:

(i) Copies of the articles or certificate of incorporation (or comparable constituent document) of each Loan Party, together with all amendments, and a certificate of good standing, each certified by the appropriate governmental officer in its jurisdiction of incorporation or organization, as well as any other information required by Section 326 of the USA PATRIOT Act or necessary for the Agent or any Lender to verify the identity of any Loan Party as required by Section 326 of the USA PATRIOT Act.

(ii) Copies, certified by the Secretary or Assistant Secretary of each Loan Party, of its by-laws (or comparable governing document) and of its Board of Directors' resolutions and of resolutions or actions of any other body authorizing the execution of the Loan Documents to which such Loan Party is a party.

(iii) An incumbency certificate, executed by the Secretary or Assistant Secretary of each Loan Party, which shall identify by name and title and bear the signatures of the Financial Officers of the Company and any other officers of any Loan Party authorized to sign the Loan Documents to which such Loan Party is a party, upon which certificate the Agent and the Lenders shall be entitled to rely until informed of any change in writing by such Loan Party.

(iv) A certificate, signed by a Financial Officer of the Company, stating that on the Closing Date (A) the representations and warranties contained in Article V are true and correct and (B) no Default or Unmatured Default has occurred and is continuing.

(v) Written opinions of the Loan Parties' U.S. and U.K. counsel, addressed to the Agent and the Lenders in substantially the forms attached hereto as Exhibit A.

(vi) Any Notes requested by a Lender pursuant to Section 2.13 payable to each such requesting Lender.

(vii) Audited consolidated financial statements of the Company for the fiscal years ended August 31, 2011 and August 31, 2012 and unaudited consolidated financial statements of the

company for the fiscal quarters ended November 30, 2012, February 28, 2013 and May 31, 2013 (such financial statements, collectively, the "**Historical Financial Statements**").

(viii) Satisfactory financial statement projections through and including the fiscal year ended August 31, 2018, together with such additional financial information as the Agent shall reasonably request (including, without limitation, a summary of the assumptions used in preparing such projections).

(ix) An opening compliance certificate in substantially the form of Exhibit B signed by a Financial Officer of the Company showing the calculations necessary to determine compliance with the covenants contained in Section 6.19 and 6.21 of this Agreement and the Pricing Leverage Ratio, in each case, as of the last day of the most recently ended fiscal quarter for which financial statements are available prior to the Closing Date, giving effect to the making of any Loans on the Closing Date, which calculations shall be prepared in a manner acceptable to the Agent and the Lenders (the "**Opening Pro Forma Compliance Certificate**").

(x) (a) from (i) each party hereto (including Departing Lenders) either (A) a counterpart of this Agreement signed on behalf of such party or (B) written evidence satisfactory to the Agent (which may include facsimile or electronic transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement or, in the case of a Departing Lender, that such Departing Lender has consented to the terms set forth in Section 1.3 hereof and (ii) each Loan Party either (A) a counterpart signed on behalf of such Loan Party or (B) written evidence satisfactory to the Agent (which may include facsimile or electronic transmission of a signed signature page of such Loan Party) that such Loan Party has signed a counterpart, of each Loan Document to which it is a party, including, without limitation, the Domestic Subsidiary Guaranty (in the case of each Domestic Subsidiary Guarantor), each Subsidiary Guaranty of a Foreign Subsidiary Borrower, the Security Agreement, and such other Collateral Documents and Loan Documents as the Agent or its counsel may have reasonably requested, and (b) any other instrument, documents, agreements opinions or certificates listed on the List of Closing Documents attached hereto as Schedule 4.1 and not otherwise listed herein.

(xi) Schedules and Exhibits to this Agreement in form and substance satisfactory to the Lenders.

(xii) Such other documents as any Lender or its counsel may have reasonably requested.

(xiii) If the initial Credit Extension will include the issuance of a Facility LC (other than the deemed issuance of any Existing Letters of Credit), a properly completed Facility LC Application.

(b) (i) The Agent (for the benefit of itself and the other parties entitled thereto) and the Lead Arrangers shall have received all fees and other amounts due and payable on or prior to the Closing Date (including fees for the account of the Lenders), including (x) to the extent invoiced, reimbursement or payment of all reasonable out-of-pocket expenses required to be reimbursed or paid by the Company hereunder, and (y) all accrued and unpaid interest under the Existing Credit Agreement and all accrued and unpaid fees under Sections 2.5(a) and 2.19.4 of the Existing Credit Agreement, and (ii) the Departing Lenders shall have been repaid in full as contemplated by Section 1.3 on the Closing Date, substantially concurrently with the effectiveness hereof.

4.2. Initial Advance to each Additional Foreign Subsidiary Borrower. The Lenders shall not be required to make a Revolving Loan hereunder to or with respect to any Foreign Subsidiary Borrower which may become a party hereto on or after the Closing Date, unless (without duplication of deliveries that may have been made pursuant to Section 4.1 on the Closing Date):

(w) the Company or such Foreign Subsidiary Borrower has furnished or caused to be furnished to the Agent with sufficient copies for the Lenders, in each case, in form and substance reasonably satisfactory to the Agent:

(i) In the case of the UK Borrowers, a duly executed and delivered signature page hereto, and in the case of a Dutch Borrower an Assumption Letter executed and delivered by such Dutch Borrower and containing the written consent of each other Borrower, as contemplated by Section 2.24.1.

(i) Copies, certified by the Company Secretary, Assistant Secretary, managing director(s) or other authorized representative of such Foreign Subsidiary Borrower, if applicable, of its Board of Directors' resolutions (and resolutions of other bodies, if any are deemed necessary by counsel for any Lender) approving the terms of the entry into and the transactions contemplated by the Assumption Letter and the other Loan Documents to which such Foreign Subsidiary Borrower is a party, authorizing the execution of the incumbency certificate and approving the individuals set out therein to execute all other documents, certificates and notices in connection with the transaction and the Loan Documents on its behalf.

(ii) Copies, certified by the Company Secretary, Assistant Secretary, managing director(s) or other authorized representative of the constitutional documents of such Foreign Subsidiary Borrower.

(iii) An incumbency certificate, executed by the Secretary, Assistant Secretary, managing director(s) or other authorized representative of such Foreign Subsidiary Borrower, which shall identify by name and title and bear the signature of the officers, proxyholder or managing director(s) of such Foreign Subsidiary Borrower authorized to sign the Assumption Letter and the other Loan Documents to which such Foreign Subsidiary is a party, and all other documents and notices to be signed or dispatched by it under or in connection with this Agreement or the other Loan Documents, upon which certificate the Agent and the Lenders shall be entitled to rely until informed of any change in writing by the Company.

(iv) (A) A written opinion of counsel to such Foreign Subsidiary Borrower, with respect to the laws of its jurisdiction of organization, addressed to the Agent and the Lenders and (B) a written opinion of U.S. counsel to the Company and such Foreign Subsidiary Borrower, addressed to the Agent and the Lenders.

(v) Promissory notes payable to each of the Lenders requesting promissory notes pursuant to Section 2.13(d) hereof.

(vi) All documentation and other information required by bank regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the USA PATRIOT Act and (if applicable).

(vii) In the case of a Dutch Subsidiary, the Agent shall have received from such Dutch Subsidiary (A) an original up-to-date extract from the Chamber of Commerce Trade Register and (B)

a confirmation by an authorized signatory of such Dutch Subsidiary that there is no works council with jurisdiction over the transactions as envisaged by any Loan Document, or, if a works council is established, a confirmation that all consultation obligations in respect of such works council have been complied with and that positive unconditional advice has been obtained, attaching a copy of the works council's advice on the transactions as envisaged by the Loan Documents and a copy of the request for such advice.

(viii) In the case of a UK Subsidiary, a valid direction from Her Majesty's Revenue and Customs authorizing such Subsidiary to make interest payments hereunder to any Lender which is:

(A) a Treaty Lender (as defined in Section 3.6(a)) with no withholding or deduction for or on account of UK Tax; or

(B) a resident of a jurisdiction having a double taxation agreement with the United Kingdom that makes provision for relief by way of reduction of (rather than exemption from) tax imposed by the United Kingdom on interest and which does not carry on a business in the United Kingdom through a permanent establishment with which that Lender's participation in the Loan is effectively connected, with the minimum withholding or deduction for or on account of UK Tax resulting from the application of such relief.

(ix) Such other notices, instruments, documents, opinions, documents of title and certificates as any Lender or its counsel may have reasonably requested.

(x) the Company has, and has caused each applicable Subsidiary to, deliver all such documents, notices, instruments, opinions, documents of title and certificates as shall be required in order to permit the Borrowers to be in compliance with Section 6.21(d) after giving effect to the joinder of such Foreign Subsidiary Borrower hereto.

4.3. Each Credit Extension. The Lenders shall not (except as otherwise set forth in Section 2.4.4 with respect to Revolving Loans for the purpose of repaying Swing Line Loans) be required to make any Credit Extension unless on the applicable Credit Extension Date:

(i) No Default or Unmatured Default exists or would exist immediately after giving effect to such Credit Extension.

(ii) The representations and warranties contained in Article V are true and correct as of such Credit Extension Date except to the extent any such representation or warranty is stated to relate solely to an earlier date, in which case such representation or warranty shall have been true and correct on and as of such earlier date.

(iii) All legal matters incident to the making of such Credit Extension shall be satisfactory to the Lenders and their counsel.

Each Borrowing Notice or Swing Line Borrowing Notice, as the case may be, or request for issuance or Modification of a Facility LC with respect to each such Credit Extension shall constitute a representation and warranty by the applicable Borrower that the conditions contained in Sections 4.3(i) and (ii) have been satisfied.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

Each Borrower (as to itself and its Subsidiaries) represents and warrants to the Lenders that:

5.1. Existence and Standing. Each of the Company and its Subsidiaries is a corporation, partnership (in the case of Subsidiaries only) or limited liability company duly and properly incorporated or organized, as the case may be, validly existing and (to the extent such concept applies to such entity) in good standing under the laws of its jurisdiction of incorporation or organization and has all requisite authority to conduct its business in all material respects in each jurisdiction in which its business is conducted, except for any failure (other than by any Loan Party or any Material Foreign Subsidiary) to be in compliance with the foregoing that could not, individually or collectively, reasonably be expected to have a Material Adverse Effect.

5.2. Authorization and Validity . Each Loan Party has the power and authority and legal right to execute and deliver the Loan Documents to which it is a party and to perform its obligations thereunder. The execution and delivery by each Loan Party of the Loan Documents to which it is a party and the performance of its obligations thereunder have been duly authorized by proper corporate or other applicable proceedings, and the Loan Documents to which such Loan Party is a party constitute legal, valid and binding obligations of such Loan Party enforceable against such Loan Party in accordance with their terms, except as enforceability may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally or, in the case of any Foreign Subsidiary Borrower, by any general principles of law limiting its obligations which are specifically referred to on any legal opinion delivered pursuant to Section 4.2.

5.3. No Conflict; Government Consent. Neither the execution and delivery by each Loan Party of the Loan Documents to which it is a party, nor the consummation of the transactions therein contemplated, nor compliance with the provisions thereof will violate (i) any law, rule, regulation, order, writ, judgment, injunction, decree or award binding on the Company or any of its Subsidiaries or (ii) the Company's or any Subsidiary's articles or certificate of incorporation, partnership agreement, certificate of partnership, articles or certificate of organization, by-laws, or operating or other management agreement (or any comparable constituent document), as the case may be, or (iii) the provisions of any indenture, instrument or agreement to which the Company or any of its Subsidiaries is a party or is subject, or by which it, or its Property, is bound (including, without limitation, any Senior Note Documents or Subordinated Indebtedness Documents), or conflict with or constitute a default thereunder, or result in, or require, the creation or imposition of any Lien in, of or on the Property of the Company or a Subsidiary pursuant to the terms of any such indenture, instrument or agreement. No order, consent, adjudication, approval, license, authorization, or validation of, or filing, recording or registration with, or exemption by, or other action in respect of any governmental or public body or authority, or any subdivision thereof, which has not been obtained by the Company or any of its Subsidiaries, is required to be obtained by the Company or any of its Subsidiaries in connection with the execution and delivery of the Loan Documents, the borrowings under this Agreement, the payment and performance by the Borrowers of the Secured Obligations or the legality, validity, binding effect or enforceability of any of the Loan Documents.

5.4. Financial Statements. (y) The Historical Financial Statements of the Company and its Subsidiaries heretofore delivered to the Lenders were prepared in accordance with generally accepted accounting principles in effect on the date such statements were prepared and fairly present the consolidated

financial condition and operations of the Company and its Subsidiaries at such dates and the consolidated results of their operations for the periods then ended.

(z) All pro forma financial statements or any projections furnished by or on behalf of the Company or any Subsidiary to the Agent or any Lender in connection with the negotiation of, or compliance with, the Loan Documents (including, without limitation, the financial statements that serve as the basis for the computations in the Opening Pro Forma Compliance Certificate), were prepared in good faith based upon reasonable assumptions at the time of preparation.

5.5. Material Adverse Change. Since August 31, 2012, there has been no material adverse change in the business, assets, operations or financial condition of the Company and its Subsidiaries, taken as a whole.

5.6. Taxes. The Company and its Subsidiaries have filed all material United States federal tax returns and all other material tax returns which are required to be filed and have paid all material taxes due pursuant to said returns or pursuant to any assessment received by the Company or any of its Subsidiaries, except such taxes, if any, as are being contested in good faith and as to which adequate reserves have been provided in accordance with GAAP and as to which no Lien exists. No tax liens have been filed and no claims are being asserted with respect to any such taxes which could reasonably be expected to have a Material Adverse Effect. The charges, accruals and reserves on the books of the Company and its Subsidiaries in respect of any taxes or other governmental charges are adequate.

5.7. Litigation and Contingent Obligations. Except as set forth on Schedule 5.7, there is no litigation, arbitration, governmental investigation, proceeding or inquiry pending or, to the knowledge of any of their officers, threatened against or affecting the Company or any of its Subsidiaries which could reasonably be expected to have a Material Adverse Effect or which seeks to prevent, enjoin or delay the making of any Credit Extensions or any other transactions contemplated by the Loan Documents. Other than any liability incident to any litigation, arbitration or proceeding which (i) could not reasonably be expected to have a Material Adverse Effect or (ii) is set forth on Schedule 5.7, the Company and its Subsidiaries have no material Contingent Obligations not provided for or disclosed in the financial statements referred to in Section 5.4.

5.8. Subsidiaries. Schedule 5.8 contains an accurate list of all Subsidiaries of the Company as of the Closing Date, setting forth their respective jurisdictions of organization and the percentage of their respective capital stock or other ownership interests owned by the Company or other Subsidiaries. All of the issued and outstanding shares of capital stock or other ownership interests of such Subsidiaries have been (to the extent such concepts are relevant with respect to such ownership interests) duly authorized and issued and are fully paid and non-assessable. Schedule 1.2 contains an accurate list of all of the Company's Material Domestic Subsidiaries and their respective jurisdictions of organization as of the Closing Date. Schedule 1.3 contains an accurate list of all of the Company's Material Foreign Subsidiaries and their respective jurisdictions of organization as of the Closing Date.

5.9. Employee Benefit Plans. (c) The Unfunded Liabilities of all Single Employer Plans do not in the aggregate exceed $25,000,000, and no Single Employer Plan has any Unfunded Liabilities for which a minimum funding waiver request under Section 412 of the Code or Section 302 of ERISA has been filed or is reasonably anticipated to be filed. Neither the Company nor any other member of the Controlled Group has incurred, or is reasonably expected to incur, any withdrawal liability to Multiemployer Plans in excess of $20,000,000 in the aggregate. Each Single Employer Plan complies with all applicable requirements of law and regulations, except for any failure to comply that could not reasonably be expected, individually

or in the aggregate, to have a Material Adverse Effect; no Reportable Event has occurred with respect to any Plan that, together with all other Reportable Events that have occurred and are continuing, could reasonably be expected to result in liability to the Company and its Subsidiaries in an aggregate amount in excess of $20,000,000; neither the Company nor any other member of the Controlled Group has withdrawn from any Multiemployer Plan or Multiple Employer Plan or initiated steps to do so; and no steps have been taken to reorganize any Multiemployer Plan or terminate any Plan under Section 4041(c) or 4042 of ERISA.

(d) Each Foreign Pension Plan is in compliance with all requirements of law applicable thereto and the respective requirements of the governing documents for such plan except to the extent such non-compliance could not reasonably be expected to result in a Material Adverse Effect. With respect to each Foreign Pension Plan, none of the Company, its Affiliates or any of its directors, officers, employees or agents has engaged in a transaction, or other act or omission (including entering into this Agreement and any act done or to be done in connection with this Agreement), that has subjected, or could reasonably be expected to subject, the Company or any of the Subsidiaries, directly or indirectly, to any penalty (including any tax or civil penalty), fine, claim or other liability (including any liability under a contribution notice or financial support direction (as those terms are defined in the United Kingdom Pensions Act 2004), or any liability or amount payable under section 75 or 75A of the United Kingdom Pensions Act 1995), that could reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect and there are no facts or circumstances which may give rise to any such penalty, fine, claim, or other liability. With respect to each Foreign Pension Plan, reserves have been established in the financial statements furnished to Lenders in respect of any unfunded liabilities in accordance with applicable law or, where required, in accordance with ordinary accounting practices in the jurisdiction in which such Foreign Pension Plan is maintained. The aggregate unfunded liabilities, with respect to such Foreign Pension Plans could not reasonably be expected to result in a Material Adverse Effect. There are no actions, suits or claims (other than routine claims for benefits) pending or threatened against the Company or any of its Affiliates with respect to any Foreign Pension Plan which could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect.

5.10. Accuracy of Information. No information, exhibit or report furnished by any Borrower or any of their respective Subsidiaries to the Agent or to any Lender in connection with the negotiation of, or compliance with, the Loan Documents contained any material misstatement of fact or omitted to state a material fact or any fact necessary to make the statements contained therein not misleading in any material respect.

5.11. Federal Reserve Regulations. No part of the proceeds of any Credit Extension has been used or will be used, whether directly or indirectly, for any purpose that entails a violation of any of the Regulations of the Board, including Regulations T, U and X.

5.12. Material Agreements. Neither the Company nor any Subsidiary is a party to any agreement or instrument or subject to any charter or other corporate restriction the compliance with which could reasonably be expected to have a Material Adverse Effect. Neither the Company nor any Subsidiary is in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement to which it is a party, which default could reasonably be expected to have a Material Adverse Effect.

5.13. Compliance With Laws. The Company and its Subsidiaries have complied with all applicable statutes, rules, regulations, orders and restrictions of any domestic or foreign government or any instrumentality or agency thereof having jurisdiction over the conduct of their respective businesses or the ownership of their respective Property, except for any failure to comply with any of the foregoing which

could not reasonably be expected to have a Material Adverse Effect. Furthermore, to the extent that any Dutch Borrower would qualify as a credit institution (*kredietinstelling*) under the Dutch Financial Supervision Act, it is in compliance therewith.

5.14. Ownership of Properties. On the Closing Date, the Company and its Subsidiaries will have good title, free of all Liens other than those permitted by Section 6.15, to all of the Property and assets reflected in the Company's most recent consolidated financial statements provided to the Agent as owned by the Company and its Subsidiaries, except as sold or otherwise disposed of in the ordinary course of business, other than defects in title that do not in the aggregate materially detract from the value of the property or assets of the Company and the Subsidiaries, taken as a whole, and do not materially impair the use thereof in the operation of the business of the Company and the Subsidiaries, taken as a whole.

5.15. Insurance. Schedule 5.15 sets forth a true, complete and correct description of all material insurance maintained by the Company or by the Company for its Subsidiaries as of the Closing Date. As of such date, such insurance is in full force and effect and all premiums have been duly paid. The Company and its Subsidiaries have insurance in such amounts and covering such risks and liabilities as are in accordance with normal industry practice and have adequate reserves for all deductibles and self-insurance programs.

5.16. Environmental Matters. In the ordinary course of its business, the officers of the Company consider the effect of Environmental Laws on the business of the Company and its Subsidiaries, in the course of which they identify and evaluate potential risks and liabilities accruing to the Company due to Environmental Laws. On the basis of this consideration, the Company has concluded that compliance with applicable Environmental Laws cannot reasonably be expected to have a Material Adverse Effect. Neither the Company nor any Subsidiary has received any notice to the effect that its operations are not in material compliance with any of the requirements of applicable Environmental Laws or are the subject of any federal or state investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, which non-compliance or remedial action could reasonably be expected to have a Material Adverse Effect.

5.17. Investment Company Act. Neither the Company nor any Subsidiary is an "investment company" or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended.

5.18. Centre of Main Interests and Establishment. Each Foreign Subsidiary Borrower represents and warrants to the Lenders that its centre of main interests (as that term is used in Article 3(1) of the Regulation) is in its jurisdiction of incorporation and it has no Establishment in any other jurisdiction.

5.19. Security Interest in Collateral. The provisions of this Agreement and the other Loan Documents create legal and valid perfected Liens on all the Collateral in favor of the Agent to the extent required under the Collateral Documents, for the benefit of the Holders of Secured Obligations, and such Liens constitute perfected and continuing Liens on the Collateral, securing the Secured Obligations, enforceable against the applicable Loan Party and all third parties, and having priority over all other Liens on the Collateral to the extent required under the Collateral Documents, except in the case of (a) Liens permitted under Section 6.15, to the extent any such Lien would have priority over the Liens in favor of the Agent pursuant to any applicable law and (b) Liens perfected only by possession (including possession of any certificate of title) or control to the extent the Agent has not obtained or does not maintain possession or control of such Collateral.

5.20. Sanctions Laws and Regulations.

(a) The Company and, to the best of its knowledge, its Subsidiaries and their respective directors, officers, employees, and agents have conducted their business in compliance with Anti-Corruption Laws and have instituted and maintained policies and procedures designed to promote and achieve compliance with such laws.

(b) None of Company, or to the best of its knowledge, its Subsidiaries or their respective directors, officers, employees, agents or representatives acting or benefiting in any capacity in connection with this Agreement (i) is a Designated Person, (ii) is a Person that is owned or controlled by a Designated Person; (iii) is located, organised or resident in a Sanctioned Country, or (iv) has directly or indirectly engaged in, or is now directly or indirectly engaged in, any dealings or transactions (1) with any Designated Person, (2) in any Sanctioned Country, or (3) otherwise in violation of Sanctions.

5.21. Solvency. Both before and after giving effect to (a) the initial Credit Extensions to be made or incurred on the Closing Date or such other date as Loans and Facility LCs requested hereunder are made or incurred, (b) the disbursement of the proceeds of such Loans pursuant to the instructions of the Borrowers and (c) the payment and accrual of all fees, costs and expenses in connection with the foregoing, each Loan Party is and will be Solvent.

5.22. No Default or Unmatured Default. No Default or Unmatured Default has occurred and is continuing.

5.23. Special Representations and Warranties of each Foreign Subsidiary Borrower. Each Foreign Subsidiary Borrower represents and warrants to the Lenders as provided in this Section 5.23 that:

5.23.1. Filing. To ensure the enforceability or admissibility in evidence of this Agreement and any Notes requested to be issued hereunder by any Foreign Subsidiary Borrower in its jurisdiction of organization (hereinafter referred to as its "**Home Country**"), it is not necessary that this Agreement or any such Notes or any other document be filed or recorded with any court or other authority in its Home Country or that any stamp or similar tax be paid to or in respect of this Agreement or any such Notes of such Foreign Subsidiary Borrower. To the knowledge of such Foreign Subsidiary Borrower, the qualification by any Lender or the Agent for admission to do business under the laws of its Home Country does not constitute a condition to, and the failure to so qualify does not affect, the exercise by any Lender or the Agent of any right, privilege, or remedy afforded to any Lender or the Agent in connection with the Loan Documents to which such Foreign Subsidiary Borrower is a party or the enforcement of any such right, privilege, or remedy against such Foreign Subsidiary Borrower. The performance by any Lender or the Agent of any action required or permitted under the Loan Documents will not (i) to the knowledge of such Foreign Subsidiary Borrower, violate any law or regulation of such Foreign Subsidiary Borrower's Home Country or any political subdivision thereof, (ii) to the knowledge of such Foreign Subsidiary Borrower, result in any tax (other than any withholding tax for which the Company has provided an indemnity in accordance with the proviso set forth below) or other monetary liability to such party pursuant to the laws of such Foreign Subsidiary Borrower's Home Country or political subdivision or taxing authority thereof or otherwise (*provided* that, should any such action result in any such tax or other monetary liability to the Lender or the Agent, the Company hereby agrees to indemnify such Lender or the Agent, as the case may be, against (x) any such tax or other monetary liability and (y) any increase in any tax or other monetary liability which results from such action by such Lender or the Agent and, to the extent the Company makes such indemnification, the incurrence of such

liability by the Agent or any Lender will not constitute a Default) or (iii) violate any rule or regulation of any federation or organization or similar entity applicable to such Foreign Subsidiary Borrower of which such Foreign Subsidiary Borrower's Home Country is a member.

5.23.2. No Immunity. Neither such Foreign Subsidiary Borrower nor any of its assets is entitled to immunity from suit, execution, attachment or other legal process. Such Foreign Subsidiary Borrower's execution and delivery of the Loan Documents to which it is a party constitute, and the exercise of its rights and performance of and compliance with its obligations under such Loan Documents will constitute, private and commercial acts done and performed for private and commercial purposes.

ARTICLE VI

COVENANTS

During the term of this Agreement:

6.1. Financial Reporting. The Company will maintain, for itself and each Subsidiary, a system of accounting established and administered in accordance with GAAP, and furnish to the Agent (for further distribution to each Lender):

(iv) Within 90 days after the end of each fiscal year, its consolidated balance sheet and related statements of income and cash flows showing the financial condition of the Company and the Subsidiaries as of the close of such fiscal year and the results of the operations of the Company and the Subsidiaries during such year, all in reasonable detail, setting forth in each case in comparative form (a) the corresponding statements for the preceding fiscal year and (b) the budget corresponding to such period previously provided pursuant to Section 6.1(iii). Any such consolidated financial statements shall have been audited by PricewaterhouseCoopers LLP or other independent public accountants of recognized national standing, and shall be accompanied by (x) an opinion of such accountants (which shall not be qualified in any material respect) to the effect that such consolidated financial statements fairly present in all material respects the financial condition and results of operations of the Company and the Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, (y) any management letter prepared by such accountants and (z) at the reasonable request of the Agent, a certificate of such accountants that, in the course of their examination necessary for their certification of the foregoing, they have obtained no knowledge of any Default or Unmatured Default, or if, in the opinion of such accountants, any Default or Unmatured Default shall exist, stating the nature and status thereof.

(v) Within 45 days after the end of each of the first three fiscal quarters of each fiscal year, its consolidated balance sheet and related statements of income and cash flows showing the financial condition of the Company and the Subsidiaries as of the close of such fiscal quarter and the results of the operations of the Company and the Subsidiaries during such fiscal quarter and the then elapsed portion of the fiscal year, all in reasonable detail and certified by one of its Financial Officers as fairly presenting in all material respects the financial condition and results of operations of each of the Company and the Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-

end audit adjustments, setting forth in each case in comparative form the corresponding statements for the corresponding period in the preceding fiscal year.

(vi) No later than 75 days following the first day of each fiscal year of the Company, a budget in form reasonably satisfactory to the Agent (including budgeted statements of income by each of the Company's business segments and consolidated as to sources and uses of cash and balance sheets) prepared by the Company for each of the four quarters of such fiscal year prepared in the same level of detail as prepared for and delivered to the Company's board of directors, in each case, of the Company and the Subsidiaries, accompanied by the statement of a Financial Officer of the Company to the effect that the budget is a reasonable estimate for the period covered thereby.

(vii) Together with the financial statements required under Sections 6.1(i) and (ii), a compliance certificate in substantially the form of Exhibit B signed by one of its Financial Officers showing the calculations necessary to determine compliance with the covenants contained in Section 6.19 and 6.21 of this Agreement and stating that no Default or Unmatured Default exists, or if any Default or Unmatured Default exists, stating the nature and status thereof, and attaching any updates to the Exhibits to the Security Agreement if required pursuant to the terms thereof.

(viii) As soon as possible and in any event within 10 days after (a) the United Kingdom Pensions Regulator issuing a financial support direction or a contribution notice (as those terms are defined in the United Kingdom Pensions Act 2004) in relation to any Foreign Pension Plan, (b) any amount is due to any Foreign Pension Plan pursuant to Section 75 or 75A of the United Kingdom Pensions Act 1995, (c) an amount becomes payable under section 75 or 75A of the United Kingdom Pensions Act of 1995 and/or (d) the Company knows that any Reportable Event has occurred with respect to any Plan, a statement, signed by a Financial Officer of the Company, describing such matter or event and the action which the Company proposes to take with respect thereto.

(ix) Promptly upon the furnishing thereof to the shareholders of the Company, copies of all financial statements, reports and proxy statements so furnished. So long as the Company is a public company for reporting purposes under the Exchange Act, compliance with clause (vii) below shall be deemed to be in compliance with this clause (vi).

(x) Promptly upon the filing thereof, copies of all registration statements and annual, quarterly, monthly or other regular reports which the Company or any of its Subsidiaries files with the Securities and Exchange Commission.

(xi) If requested by the Agent, together with the financial statements required under Section 6.1(i), a certificate of good standing for the Company and (to the extent such concept applies to such entity) each other Person which has pledged collateral in support of the Secured Obligations from the appropriate governmental officer in its jurisdiction of incorporation or organization.

(xii) Such other information (including non-financial information) as the Agent or any Lender may from time to time reasonably request.

If any information which is required to be furnished to the Lenders under this Section 6.1 is required by law or regulation to be filed by the Company with a government body on an earlier date, then the information required hereunder shall be furnished to the Lenders at such earlier date.

6.2. Use of Proceeds. Each Borrower will, and will cause each Subsidiary to, use the proceeds of each of the Credit Extensions for general corporate purposes, including, without limitation, for Permitted Acquisitions, to refinance certain existing indebtedness and for working capital purposes. No Borrower will, nor will it permit any Subsidiary to, use any of the proceeds of the Advances in violation of, or in any manner inconsistent with, any regulations of the Board, including the provisions of Regulations T, U or X.

6.3. Notice of Default. The Company will, and will cause each Subsidiary to, give prompt notice in writing to the Agent (for further distribution to each Lender) of the occurrence of any Default or Unmatured Default and of any other development, financial or otherwise, which could reasonably be expected to have a Material Adverse Effect.

6.4. Conduct of Business. The Company will, and will cause each Subsidiary to, carry on and conduct its business in substantially the same manner as it is presently conducted and in (and only in) lines of business reasonably related to industrial manufacturing and distribution (including the rental of industrial equipment and the provision of services related to industrial equipment) and do all things necessary to remain duly incorporated or organized, validly existing and (to the extent such concept applies to such entity) in good standing as a domestic corporation, partnership or limited liability company in its jurisdiction of incorporation or organization, as the case may be, and maintain all requisite authority to conduct its business in all material respects in each jurisdiction in which its business is conducted, in each case, except to the extent that a failure to do so could not reasonably be expected to have a Material Adverse Effect.

6.5. Taxes. The Company will, and will cause each Subsidiary to, timely file complete and correct United States federal and applicable foreign, state and local tax returns required by law and pay when due all taxes, assessments and governmental charges and levies upon it or its income, profits or Property, except those which are being contested in good faith by appropriate proceedings and with respect to which adequate reserves have been set aside in accordance with GAAP.

6.6. Insurance. The Company will, and will cause each Subsidiary to, maintain with financially sound and reputable insurance companies insurance on all their Property in such amounts and covering such risks as is consistent with sound business practice, and the Company will furnish to any Lender upon reasonable request certificates of insurance as to the insurance carried. The Company shall deliver to the Agent endorsements (x) to all "All Risk" physical damage insurance policies on all of the Company's and the Domestic Subsidiary Guarantors' tangible personal property and assets and business interruption insurance policies naming the Agent as lender loss payee, and (y) to all general liability and other liability policies naming the Agent an additional insured. In the event the Company or any of its Subsidiaries at any time or times after the Closing Date shall fail to obtain or maintain any of the policies or insurance required herein or to pay any premium in whole or in part relating thereto, then the Agent, without waiving or releasing any obligations or resulting Default hereunder, may at any time or times thereafter (but shall be under no obligation to do so) obtain and maintain such policies of insurance and pay such premiums and take any other action with respect thereto which the Agent deems advisable. All sums so disbursed by the Agent shall constitute part of the Obligations, payable as provided in this Agreement. The Company will furnish to the Agent and the Lenders prompt written notice of any casualty or other insured damage to any material portion of the Collateral or the commencement of any action or proceeding for the taking of any material portion of the Collateral or interest therein under power of eminent domain or by condemnation or similar proceeding.

6.7. Compliance with Laws. The Company will, and will cause each Subsidiary to, comply in all material respects with all laws, rules, regulations, orders, writs, judgments, injunctions, decrees or awards to which it may be subject including, without limitation, all Environmental Laws, the violation of which could reasonably be expected to have a Material Adverse Effect and/or result in the creation of any Lien not permitted by Section 6.15.

6.8. Maintenance of Properties. The Company will, and will cause each Subsidiary to, do all things necessary to maintain, preserve, protect and keep its Property in good repair, working order and condition, and make all necessary and proper repairs, renewals and replacements so that its business carried on in connection therewith may be properly conducted at all times in all material respects.

6.9. Books and Records; Inspection. The Company will, and will cause each of its Subsidiaries to, keep proper books of record and account in which full, true and correct entries are made of all dealings and transactions in relation to its business and activities. The Company will, and will cause each Subsidiary to, permit the Agent and the Lenders, by their respective representatives and agents, to inspect any of the Property, books and financial records of the Company and each Subsidiary, to examine and make copies of the books of accounts and other financial records of the Company and each Subsidiary, and to discuss the affairs, finances and accounts of the Company and each Subsidiary with, and to be advised as to the same by, their respective officers at such reasonable times and intervals as the Agent or any Lender may designate.

6.10. Dividends. The Company will not, nor will it permit any Subsidiary to, declare or pay any Dividends, except that:

(i) (a) Any Wholly-Owned Subsidiary of the Company may pay Dividends to the Company or any Wholly-Owned Subsidiary of the Company and (b) any Subsidiary that is not a Wholly-Owned Subsidiary may pay Dividends to its shareholders generally so long as the Company or its respective Subsidiary which owns the Equity Interest in the Subsidiary paying such Dividends receives at least its proportionate share thereof (based upon its relative holdings of Equity Interests in the Subsidiary paying such Dividends and taking into account the relative preferences, if any, of the various classes of Equity Interests in such Subsidiary).

(ii) So long as there shall exist no Default or Unmatured Default (both before and after giving effect to the payment thereof), the Company may repurchase outstanding shares of its common stock (or options to purchase such common stock) following the death, disability, retirement or termination of employment of employees, officers or directors of the Company or any of its Subsidiaries; *provided* that (a) all amounts used to effect such repurchases are obtained by the Company from a substantially concurrent issuance of its common stock (or options to purchase such common stock) to other employees, members of management, executive officers or directors of the Company or any of its Subsidiaries or (b) to the extent the proceeds used to effect any repurchase are not obtained as described in preceding clause (a), the aggregate amount of Dividends paid by the Company pursuant to this Section 6.10(ii) (exclusive of amounts paid as described pursuant to preceding clause (a)) shall not exceed $1,000,000 in any fiscal year of the Company; *provided* that, in the event that the maximum amount which is permitted to be expended in respect of Dividends during any fiscal year pursuant to this clause (b) is not fully expended during such fiscal year, the maximum amount which may be expended during the immediately succeeding fiscal year pursuant to this clause (b) shall be increased by such unutilized amount.

(iii) So long as there shall exist no Default or Unmatured Default (both before and after giving effect to the payment thereof), the Company may repurchase outstanding shares of its common stock or equivalents thereof or rights to purchase any of the foregoing issued in connection with the Company's directors compensation plan; *provided* that the aggregate amount of shares repurchased paid by the Company pursuant to this Section 6.10(iii) (exclusive of amounts paid as described pursuant to Section 6.10(ii)) shall not exceed $750,000 in any fiscal year of the Company and shall not exceed a maximum of $1,750,000 for all such repurchases made on or after the Closing Date.

(iv) So long as there shall exist no Default or Unmatured Default (both before and after giving effect to the declaration and payment thereof), the Company may make or pay Dividends with respect to its outstanding common stock; *provided* that, the Leverage Ratio for the four fiscal quarter period most recently ended as of such date calculated on a pro forma basis reasonably acceptable to the Agent after giving effect to such Dividend (and any Indebtedness incurred in connection therewith), as if such Dividend (and incurrence of Indebtedness, if any) had occurred on the last day of such period, shall be less than 3.25 to 1.00 or, following the Collateral Release Date, 3.00 to 1.00; *provided, further*, that the Company shall have furnished to Agent a certificate reasonably acceptable to Agent demonstrating such pro forma compliance in reasonable detail prior to making or paying any such Dividend if (i) the pro forma Leverage Ratio after giving effect to such Dividend would be greater than or equal to 2.75 to 1.00 or, following the Collateral Release Date, 2.50 to 1.00, (ii) any such Dividend (or series of related Dividends) exceeds $75,000,000 (it being understood that in the case of Dividends made pursuant to an authorized share buyback program, a certificate shall not be required unless and until such threshold is exceeded) or (iii) the Agent so requests.

(v) So long as there shall exist no Default or Unmatured Default (both before and after giving effect to the declaration and payment thereof) the Company may make or pay additional Dividends with respect to its outstanding common stock not otherwise permitted under this Section 6.10 in an aggregate amount not to exceed $25,000,000 in any fiscal year of the Company.

6.11. Indebtedness. The Company will not, nor will it permit any Subsidiary to, create, incur or suffer to exist any Indebtedness, except:

(i) The Loans and the Reimbursement Obligations.

(ii) [Reserved]

(iii) Receivables Transaction Attributed Indebtedness and/or Indebtedness incurred pursuant to Qualified Receivables Transactions in an aggregate amount not to exceed at any time 7.5% Consolidated Assets of the Company and its Subsidiaries (measured as of the end of the most recent fiscal quarter).

(iv) Indebtedness (if any) resulting from any recharacterization of any Permitted Factoring Transaction.

(v) Indebtedness actually outstanding on the date hereof and listed on Schedule 6.11 (excluding any Indebtedness described in clauses (i) and (iii) and the 2012 Senior Notes), but not any refinancings or renewals thereof.

(vi) Rate Management Obligations under Rate Management Transactions entered into from time to time by the Company and its Subsidiaries and which the Company in good faith believes will provide protection against its reasonably estimated interest rate, foreign currency or commodity exposure.

(vii) (a) Capitalized Lease Obligations and (b) Indebtedness pursuant to Sale and Leaseback Transactions, the Attributable Debt of which, together with Capitalized Lease Obligations permitted under clause (a), shall not exceed at any time 3.5% Consolidated Assets of the Company and its Subsidiaries (measured as of the end of the most recent fiscal quarter).

(viii) Intercompany Indebtedness of the Company and its Subsidiaries outstanding to the extent permitted by Section 6.14.

(ix) Any indebtedness arising under a declaration of joint and several liability used for the purpose of section 2:403 of the Dutch Civil Code (*Burgerlijk Wetboek*) (and any residual liability under such declaration arising pursuant to section 2:404(2) of the Dutch Civil Code (*Burgerlijk Wetboek*)).

(x) In addition to any Indebtedness permitted by the preceding clause (viii), Indebtedness of any Wholly-Owned Subsidiary to the Company or another Wholly-Owned Subsidiary constituting the purchase price in respect of intercompany transfers of goods and services made in the ordinary course of business to the extent not constituting Indebtedness for borrowed money.

(xi) Indebtedness under performance bonds, letter of credit obligations to provide security for worker's compensation claims and bank overdrafts, in each case incurred in the ordinary course of business; *provided* that any obligations arising in connection with such bank overdraft Indebtedness is extinguished within five Business Days of its incurrence.

(xii) Indebtedness incurred by Foreign Subsidiaries from time to time after the Closing Date, so long as the aggregate principal amount of all Indebtedness (including trade letters of credit) incurred pursuant to this clause (xii) at any time outstanding shall not exceed $75,000,000; *provided* that the aggregate principal amount of all such Indebtedness incurred by Foreign Subsidiary Borrowers shall not exceed $50,000,000.

(xiii) Indebtedness of any Person that becomes a Foreign Subsidiary after the Closing Date pursuant to a Permitted Acquisition, so long as such Indebtedness exists at the time of such Permitted Acquisition and is not incurred in contemplation of or in connection with such Permitted Acquisition, and extensions, renewals and replacements of any such Indebtedness that do not increase the outstanding principal amount thereof.

(xiv) Additional unsecured Indebtedness of the Company and the Domestic Subsidiary Guarantors, including Senior Note Indebtedness and Subordinated Indebtedness; *provided,* that (a) any senior unsecured Indebtedness of the Company or its Subsidiaries under any notes or convertible notes permitted hereunder and issued under an indenture, loan agreement, note purchase agreement or similar governing instrument or document in a

registered public offering or a Rule 144A or other private placement transaction shall only be permitted hereunder to the extent such Indebtedness constitutes, and complies with the terms set forth in the definition of, Senior Note Indebtedness, and (b) any Indebtedness that is subordinated to the payment of the Obligations shall only be permitted hereunder to the extent such Indebtedness constitutes, and complies with the terms set forth in the definition of, Subordinated Indebtedness.

6.12. Merger. The Company will not, nor will it permit any Subsidiary to, merge or consolidate with or into any other Person, except that a Subsidiary may merge (i) into the Company (with the Company being the surviving corporation) or a Wholly-Owned Subsidiary or (ii) in connection with a Permitted Acquisition, *provided*, in each case, that (a) if a Subsidiary Guarantor merges with another Subsidiary, the surviving entity shall be a Subsidiary Guarantor, (b) if a Foreign Subsidiary Borrower merges with another Subsidiary, the surviving entity shall be a Foreign Subsidiary Borrower and (c) a Domestic Subsidiary shall not merge with or into a Foreign Subsidiary.

6.13. Sale of Assets. The Company will not, nor will it permit any Subsidiary to, lease, sell or otherwise dispose of its Property to any other Person, except:

(i) Sales of inventory in the ordinary course of business and consistent with past practices.

(ii) Any transfer of an interest in accounts or notes receivable and related assets as part of a Qualified Receivables Transaction or Permitted Factoring Transaction.

(iii) Investments to the extent permitted by Section 6.14.

(iv) Licenses, cross-licenses or sublicenses by the Company and its Subsidiaries of software, trademarks and other intellectual property in the ordinary course of business and which do not materially interfere with the business of the Company or of the Company and the Subsidiaries, taken as a whole.

(v) The Company and its Subsidiaries may sell or discount, in each case without recourse and in the ordinary course of business, overdue accounts receivable arising in the ordinary course of business, but only in connection with the compromise or collection thereof consistent with ordinary business practice (and not as part of any bulk sale).

(vi) (A) The Company or any Domestic Subsidiary of the Company that is a Wholly-Owned Subsidiary may sell, transfer or lease Property to the Company or any other Domestic Subsidiary that is a Wholly-Owned Subsidiary, (B) any Foreign Subsidiary Borrower may sell, transfer or lease Property to the Company, a Domestic Subsidiary or another Foreign Subsidiary Borrower and (C) any Foreign Subsidiary (other than a Foreign Subsidiary Borrower) may sell, transfer or lease Property to the Company or any other Subsidiary.

(viii) Each of the Company and its Subsidiaries may, in the ordinary course of business, sell, lease or otherwise dispose of any assets which, in the reasonable judgment of such Person, are obsolete, worn out or otherwise no longer useful in the conduct of such Person’s business.

(ix) The Company and its Subsidiaries may sell its Electrical Business Segment.

(x) The Company or any Domestic Subsidiary may sell Equity Interests in any Foreign Subsidiary to another Foreign Subsidiary; *provided,* such sale shall be made for cash at fair market value as reasonably determined by the Company or such Domestic Subsidiary.

(xi) Each of the Company and its Subsidiaries may, unless a Default shall have occurred and be continuing, subject to Section 2.7(b)(iii), sell, lease or otherwise dispose of any assets, *provided* that (A) the aggregate consideration received in respect of all Asset Sales pursuant to this clause (xi) during any four fiscal quarter period shall not exceed 10% of the Consolidated Assets of the Company and its Subsidiaries (measured as of the end of the fiscal quarter most recently completed prior to such disposition) and (B) the aggregate consideration received in respect of all Asset Sales pursuant to this clause (xi) after the Closing Date shall not exceed 15% of the Consolidated Assets of the Company and its Subsidiaries (measured as of the end of the fiscal quarter most recently completed prior to the first such disposition completed after the Closing Date).

(xii) The Company and its Subsidiaries may enter into one or more Sale and Leaseback Transactions, *provided* that the Attributable Debt arising therefrom, together with any Capitalized Lease Obligations permitted under Section 6.11(vii)(a) shall not exceed 3.5% Consolidated Assets of the Company and its Subsidiaries (measured as of the end of the most recent fiscal quarter) at any time outstanding.

6.14. Investments and Acquisitions. The Company will not, nor will it permit any Subsidiary to, make or suffer to exist any Investments (including without limitation, loans and advances to, and other Investments in, Subsidiaries), or commitments therefor, or to create any Subsidiary or to become or remain a partner in any partnership or joint venture, or to make any Acquisition of any Person, except:

(i) Cash Equivalent Investments.

(ii) Existing Investments in Subsidiaries and other Investments in existence on the Closing Date and described in Schedule 6.14.

(iii) Investments comprised of capital contributions (whether in the form of cash, a note, or other assets) to a Subsidiary or other special-purpose entity created solely to engage in a Qualified Receivables Transaction or otherwise resulting from transfers of assets permitted by Section 6.13(ii) to such a special-purpose entity.

(iv) Permitted Acquisitions.

(v) Investments by the Company or any Subsidiary in the Company or any Domestic Subsidiary.

(vi) Investments by the Company or any Subsidiary in any Foreign Subsidiary of the Company, *provided* that the aggregate amount (determined without regard to any write-downs or write-offs thereof) of (x) all such Investments of the Company and the Domestic Subsidiaries in Foreign Subsidiaries made after the Closing Date at any time outstanding and (y) all such Investments of the Foreign Subsidiary Borrowers in other Foreign Subsidiaries made after the Closing Date at any time outstanding shall not exceed $100,000,000; *provided*, *further*, that, subject to compliance with each other covenant set forth in this Article VI in connection with any such transaction, (a) the value of any assets (other than cash and cash equivalents) distributed to the Company or any Domestic Subsidiary by a Foreign Subsidiary (directly or indirectly) that are contributed to or otherwise invested in a Foreign Subsidiary

substantially concurrently with such distribution (but not more than three Business Days thereafter) and (b) the value of Equity Interests in Foreign Subsidiaries contributed by the Company or any Domestic Subsidiary to a Foreign Subsidiary shall not reduce the aggregate amount available for Investments in Foreign Subsidiaries under this paragraph (vi).

(vii) [Reserved]

(viii) [Reserved]

(ix) The purchase by a Foreign Subsidiary of the Equity Interests of another Foreign Subsidiary as described in Section 6.13(x).

(x) Other Investments not otherwise permitted by clauses (i) through (ix) above, *provided* that the aggregate amount of all such Investments made after the Closing Date at any time outstanding (determined without regard to any write-downs or write-offs thereof) shall not exceed $10,000,000.

6.15. Liens. The Company will not, nor will it permit any Subsidiary to, create, incur, or suffer to exist any Lien in, of or on the Property of the Company or any of its Subsidiaries, except:

(i) Liens (other than any Lien imposed by ERISA or any Environmental Law) for taxes, assessments or governmental charges or levies on its Property if the same shall not at the time be delinquent or thereafter can be paid without penalty, or are being contested in good faith and by appropriate proceedings and for which adequate reserves in accordance with GAAP shall have been set aside on its books.

(ii) Liens imposed by law, such as carriers', warehousemen's and mechanics' liens and other similar liens arising in the ordinary course of business (a) which do not in the aggregate materially detract from the value of the property or assets of the Company and the Subsidiaries, taken as a whole, and do not materially impair the use thereof in the operation of the business of the Company and the Subsidiaries, taken as a whole, or (b) which are being contested in good faith by appropriate proceedings and for which adequate reserves shall have been set aside on its books.

(iii) Liens (other than any Lien imposed by ERISA) (a) arising out of pledges or deposits under worker's compensation laws, unemployment insurance, old age pensions, or other social security or retirement benefits, or similar legislation, (b) to secure the performance of tenders, statutory obligations (other than excise taxes), surety, stay, customs and appeal bonds, statutory bonds, bids, leases, government contracts, trade contracts, performance and return of money bonds and other similar obligations (exclusive of obligations for the payment of borrowed money) or (c) arising by virtue of deposits made in the ordinary course of business to secure liability for premiums to insurance carriers; *provided* that the aggregate amount of deposits at any time pursuant to clause (b) and clause (c) shall not exceed $1,000,000 in the aggregate.

(iv) Utility easements, building restrictions and such other encumbrances or charges against real property as are of a nature generally existing with respect to properties of a similar character and which do not in any material way affect the marketability of the same or interfere with the use thereof in the business of the Company or its Subsidiaries.

(v) Liens existing on the Closing Date and described in Schedule 6.15, *provided* that (i) the aggregate principal amount of the Indebtedness, if any, secured by such Liens does not increase and (ii) such Liens do not encumber any additional assets or properties of the Company or any of its Subsidiaries.

(vi) Liens in favor of the Agent, for the benefit of the Lenders, in the Facility LC Collateral Account or granted pursuant to any Collateral Document.

(vii) Liens incurred in connection with any transfer of an interest in accounts or notes receivable or related assets as part of a Qualified Receivables Transaction or Permitted Factoring Transaction.

(viii) Any Lien of a lessor under a Capitalized Lease on assets subject to such Capitalized Lease securing Capitalized Lease Obligations permitted by Section 6.11(vii).

(ix) Liens arising out of judgments or awards not giving rise to a Default in respect of which the Company or any of its Subsidiaries shall in good faith be prosecuting an appeal or proceedings for review and in respect of which there shall be secured a subsisting stay of execution pending such appeal or proceedings.

(x) Any interest or title of a lessor, sublessor, licensee or licensor under any lease (other than a Capitalized Lease) or license agreement permitted by this Agreement, including any Lien filed to prevent the impairment of any such interest.

(xi) Liens in favor of customs and revenue authorities arising as a matter of law to secure the payment of customs duties in connection with the importation of goods.

(xii) In the case of any Dutch Subsidiary, Liens created or to be created pursuant to the general conditions of a bank operating in the Netherlands based on the general conditions drawn up by the Netherlands Bankers' Association (*Nederlandse Vereniging van Banken*) and the Consumers' Union (*Consumenten bond*).

(xiii) Liens on assets of Foreign Subsidiaries (other than Foreign Subsidiary Borrowers); *provided* that (a) such Liens do not extend to, or encumber, assets which constitute Equity Interests in any of the Company's Subsidiaries and (b) such Liens extending to the assets of any Foreign Subsidiary secure only Indebtedness incurred by such Foreign Subsidiary pursuant to Section 6.11(xii).

(xiv) Liens upon assets of the Company or any of its Subsidiaries subject to Sale and Leaseback Transactions to the extent permitted by Section 6.13(xii); *provided* that (a) in each case, such Liens only serve to secure the payment of Attributable Debt arising under such Sale and Leaseback Transaction and do not encumber any other asset (other than proceeds thereof) of the Company or any Subsidiary of the Company and (b) the aggregate outstanding principal amount of all Attributable Debt secured by Liens permitted by this clause (xiv) shall not at any time exceed, together with all Capitalized Lease Obligations permitted by Section 6.11(vii)(a), 3.5% Consolidated Assets of the Company and its Subsidiaries (measured as of the end of the most recent fiscal quarter).

(xv) Deposit arrangements and pledges of cash or cash equivalents in an aggregate amount not to exceed $5,000,000 at any time to secure Banking Services Obligations.

(xvi) Liens not otherwise permitted by the foregoing clauses (i) through (xv) to securing liabilities not in excess of, $5,000,000 in the aggregate at any time outstanding.

6.16. Affiliates. The Company will not, and will not permit any Subsidiary to, enter into any transaction (including, without limitation, the purchase or sale of any Property or service) with, or make any payment or transfer to, any Affiliate other than in the ordinary course of business and pursuant to the reasonable requirements of the Company's or such Subsidiary's business and upon fair and reasonable terms no less favorable to the Company or such Subsidiary than the Company or such Subsidiary would obtain in a comparable arms-length transaction, except (i) transactions between the Company or any Subsidiary, on the one hand, and any Subsidiary or other special-purpose entity created to engage solely in a Qualified Receivables Transaction and (ii) any other transaction between the Company and any Subsidiary or between a Subsidiary and another Subsidiary permitted by Section 6.10, 6.11, 6.12, 6.13 or 6.14.

6.17. Subordinated Indebtedness and Senior Note Indebtedness. The Company will not, and will not permit any Subsidiary to, make any amendment or modification to any indenture, note or other agreement evidencing or governing any Subordinated Indebtedness or Senior Note Indebtedness that is adverse to the interests of the Lenders, or to directly or indirectly voluntarily prepay, defease or in substance defease, purchase, redeem, retire or otherwise acquire, any Subordinated Indebtedness other than (i) exchanges of Equity Interests in the Company for Subordinated Indebtedness, (ii) refinancings of Subordinated Indebtedness using proceeds of Permitted Refinancing Subordinated Indebtedness and (iii) after the issuance of any Subordinated Indebtedness, the exchange of notes evidencing such Indebtedness for notes that have terms substantially identical in all material respects to such original notes, except that such new notes do not contain terms with respect to transfer restrictions; *provided*, that no such prepayment, defeasance purchase, redemption, retirement or other acquisition of Subordinated Indebtedness shall be in made in violation of the subordination provisions applicable thereto. The Company shall give the Agent five Business Days' prior written notice of the terms of any amendment or modification to the indenture, note or other agreement evidencing or governing any Subordinated Indebtedness or Senior Note Indebtedness.

6.18. Contingent Obligations. The Company will not, nor will it permit any Subsidiary to, make or suffer to exist any Contingent Obligation (including, without limitation, any Contingent Obligation with respect to the obligations of a Subsidiary), except (i) by endorsement of instruments for deposit or collection in the ordinary course of business, (ii) the Reimbursement Obligations, (iii) in respect of customary indemnities (and guarantees thereof) provided in connection with any Asset Sale permitted under Section 6.13, (iv) the Guarantees and guarantees of Indebtedness to the extent that and so long as such Indebtedness is permitted by Section 6.11, *provided* that (a) only Subsidiary Guarantors may guarantee Indebtedness of the Company other than the Obligations and (b) guarantees of Subordinated Indebtedness of the Company shall be subordinated to the Domestic Subsidiary Guaranty on the same basis, (v) Contingent Obligations existing on the Closing Date and described in Schedule 6.18 (excluding Contingent Obligations with respect to Indebtedness described in clause (iv) above), (vi) guarantees by the Company of obligations of Foreign Subsidiaries under customer contracts in the ordinary course of business, (vii) guarantees by the Company of obligations of Foreign Subsidiaries under Operating Leases permitted hereunder and (viii) other Contingent Obligations not otherwise permitted by clauses (i) through (vii) above not exceeding $20,000,000 in the aggregate outstanding at any one time.

6.19. Financial Covenants.

6.19.2. Leverage Ratio.

(a) Prior to the Collateral Release Date.

(i) At all times from the Closing Date until (but not including) the first fiscal quarter ending on or after the Collateral Release Date, the Company will not permit the Leverage Ratio, determined as of the end of each of its fiscal quarters, to be greater than 3.75 to 1.00.

(ii) Notwithstanding the immediately preceding clause (i), commencing with the first fiscal quarter ending after the Closing Date and prior to the Collateral Release Date, the Leverage Ratio may be up to 4.25 to 1.00 for any fiscal quarter during which the Company or any of its Subsidiaries has entered into a Specified Acquisition (a "**Trigger Quarter**") and for the next succeeding fiscal quarter (or, if such Specified Acquisition occurred after the forty-fifth (45th) day of such Trigger Quarter, the Leverage Ratio may be up to 4.25 to 1.00 for such Trigger Quarter and the next two succeeding fiscal quarters); *provided*, that the Leverage Ratio shall return to 3.75 to 1.00 (or lower) no later than the second fiscal quarter after such Trigger Quarter (or, if such Specified Acquisition occurred after the forty-fifth (45th) day of such Trigger Quarter, no later than the third fiscal quarter after such Trigger Quarter); *provided, further*, that following the occurrence of a Trigger Quarter, no subsequent Trigger Quarter shall be permitted to occur for purposes of this Section 6.19.1(a) unless and until the Leverage Ratio is less than or equal to 3.75 to 1.00 as of the end of at least one fiscal quarter following the applicable Specified Acquisition.

(b) From and after the Collateral Release Date.

(i) Commencing with the first fiscal quarter ending on or after the Collateral Release Date, the Company will not permit the Leverage Ratio, determined as of the end of each of its fiscal quarters, to be greater than 3.50 to 1.00.

(ii) Notwithstanding the immediately preceding clause (i), from and after the Collateral Release Date the Leverage Ratio may be up to 4.00 to 1.00 for any Trigger Quarter and for the next succeeding fiscal quarter (or, if the Specified Acquisition giving rise to such Trigger Quarter occurred after the forty-fifth (45th) day of such Trigger Quarter, the Leverage Ratio may be up to 4.00 to 1.00 for such Trigger Quarter and the next two succeeding fiscal quarters); *provided*, that the Leverage Ratio shall return to 3.50 to 1.00 (or lower) no later than the second fiscal quarter after such Trigger Quarter (or, if such Specified Acquisition occurred after the forty-fifth (45th) day of such Trigger Quarter, no later than the third fiscal quarter after such Trigger Quarter); *provided, further*, that following the occurrence of a Trigger Quarter, no subsequent Trigger Quarter shall be permitted to occur for purposes of this Section 6.19.1(b) unless and until the Leverage Ratio is less than or equal to 3.50 to 1.00 as of the end of at least one fiscal quarter following the applicable Specified Acquisition.

6.19.3. Interest Coverage Ratio. The Company will not permit the Interest Coverage Ratio, determined as of the end of each of its fiscal quarters, to be less than 3.50 to 1.00.

6.20. Fiscal Year. The Company will not change its fiscal year-end to a date other than August 31.

6.21. Subsidiary Guarantors; Pledges; Collateral Documentation; Additional Collateral; Further Assurances.

(a) Material Domestic Subsidiaries. If, at any time after the Closing Date, any Domestic Subsidiary (other than a then existing Domestic Subsidiary Guarantor) shall constitute a Material Domestic Subsidiary, the Company shall promptly notify the Agent thereof, which notice shall

specify the date as of which such Domestic Subsidiary became a Material Domestic Subsidiary. On or prior to the date 30 days after the date specified in such notice (or such longer period as may be agreed by the Agent in its sole discretion) or, if earlier, the date on which such Material Domestic Subsidiary becomes party to a guaranty of the Senior Note Indebtedness or any other obligation of the Company, the Company shall cause such Material Domestic Subsidiary to execute and deliver to the Agent a supplement to the Domestic Subsidiary Guaranty, a supplement to the Security Agreement and the Collateral Documents required to be delivered by such Person (and each holder of the Equity Interests of such Person) pursuant to Section 6.21(e) and (h), together with such supporting documentation, including authorizing resolutions and/or opinions of counsel, as the Agent may reasonably request. Notwithstanding the foregoing, (i) if the Company acquires a Material Domestic Subsidiary pursuant to a Permitted Acquisition, the Company may, as an alternative to complying with the preceding sentence, within 30 days after the consummation of such Permitted Acquisition (or such longer period as may be agreed by the Agent in its sole discretion), cause such Material Domestic Subsidiary to merge into, or to transfer all or substantially all of its assets to, the Company or a Domestic Subsidiary Guarantor, and (ii) if any Domestic Subsidiary is a Material Domestic Subsidiary solely because it holds Voting Equity Interests in a Material Foreign Subsidiary, but is not required to pledge such Voting Equity Interests pursuant to the last sentence of Section 6.21(b), then such Domestic Subsidiary shall not be required to become a Domestic Subsidiary Guarantor pursuant to this Section 6.21(a).

(b) Material Foreign Subsidiaries. If, at any time after the Closing Date, any first-tier Foreign Subsidiary (other than a Foreign Subsidiary listed on Schedule 1.3) shall constitute a Material Foreign Subsidiary, the Company shall promptly notify the Agent thereof, which notice shall specify the date as of which such Foreign Subsidiary became a Material Foreign Subsidiary. Within 30 days after the date specified in such notice (or such longer period as may be agreed by the Agent in its sole discretion), the Company shall, and/or shall cause each Domestic Subsidiary to, if and to the extent that each of them holds any Equity Interest in such Material Foreign Subsidiary, execute and deliver to the Agent a new Foreign Law Pledge Agreement (as determined by the Agent in its reasonable discretion), together with such supporting documentation (including, without limitation, additional Collateral Documents, authorizing resolutions and/or opinions of counsel) as the Agent may reasonably request, in order to create a perfected, first priority security interest in the Equity Interests in such Material Foreign Subsidiary, *provided* that such pledges, individually or collectively, with respect to any Foreign Subsidiary shall not exceed the Applicable Pledge Percentage of the Voting Equity Interests in such Foreign Subsidiary. The Company or any particular Domestic Subsidiary shall not be required to execute and deliver a Foreign Law Pledge Agreement pursuant to this Section 6.21(b) if such entity directly holds 35% or less of the Voting Equity Interests in such Foreign Subsidiary and, as a result of the limitation set forth in the preceding sentence, the Company can comply with this Section 6.21(b) without the pledge of such Voting Equity Interests.

(c) Minimum Requirements.

(i) 85% of Company and Domestic Subsidiaries. If, at any time after the Closing Date, (x) the aggregate assets of the Company and the Domestic Subsidiary Guarantors (other than Equity Interests in Subsidiaries) shall fail to represent 85% or more of the aggregate assets of the Company and its Domestic Subsidiaries (other than Equity Interests in Subsidiaries) as of such time or (y) such entities on an aggregate basis shall fail to be responsible for 85% or more of the aggregate operating income of the Company and its Domestic Subsidiaries for the four fiscal quarter period then ended, the Company shall promptly notify the Agent thereof, which notice shall specify the date as of which such failure arose. Within 30 days after the date specified in such notice (or such longer period as may be agreed by the Agent

in its sole discretion), the Company shall, and shall cause its Domestic Subsidiaries (whether or not they are Material Domestic Subsidiaries) to, comply with Section 6.21(a) (but without duplication of the 30-day grace period provided in this clause (c)(i)) to the extent necessary to cure the conditions giving rise to such failure.

(ii) Guarantees of Other Obligations. If, at any time after the Closing Date, any Subsidiary of the Company that is not party to the Domestic Subsidiary Guaranty shall become party to a guaranty of the Senior Note Indebtedness or any other obligation of the Company, the Company shall immediately notify the Agent thereof and cause such Subsidiary to comply with Section 6.21(a) (but without giving effect to the 30-day grace period provided therein).

(d) Foreign Subsidiary Borrowers. Notwithstanding the foregoing requirements of this Section 6.21, all of the Equity Interests of a Foreign Subsidiary Borrower and the Foreign Subsidiaries of the Company that directly or indirectly own the Equity Interests of such Foreign Subsidiary Borrower shall be pledged to the Agent to secure the Obligations owing by such Foreign Subsidiary Borrower and, to the extent permitted by applicable law, each other Foreign Subsidiary Borrower. If, at any time after the Closing Date, the Company or any Subsidiary shall possess any Equity Interests of any such Subsidiary, the Company shall immediately notify the Agent thereof and the Company shall, and/or shall cause each Subsidiary to, if and to the extent that each of them holds any Equity Interest in any such Subsidiary, immediately execute and deliver to the Agent a new Foreign Law Pledge Agreement (as determined by the Agent in its discretion), together with such supporting documentation (including, without limitation, additional Collateral Documents, authorizing resolutions and/or opinions of counsel) as the Agent may reasonably request, in order to create a perfected, first priority security interest in all of the Equity Interests in such Subsidiary securing the Obligations owing by the applicable Foreign Subsidiary Borrower and, to the extent permitted by applicable law, each other Foreign Subsidiary Borrower.

(e) Collateral Documentation. The Company will cause, and will cause each Domestic Subsidiary Guarantor to cause, all owned Property (other than real property) (as more fully described in the Security Agreement) to be subject at all times to first priority, perfected security interests in favor of the Agent, for the benefit of the Holders of Secured Obligations, to secure the Secured Obligations in accordance with the terms and conditions of the Collateral Documents, subject in any case to Liens permitted by Section 6.15 hereof. Without limiting the generality of the foregoing, the Company will cause the Applicable Pledge Percentage of the issued and outstanding Equity Interests of each Subsidiary directly owned by the Company or any Domestic Subsidiary Guarantor to be subject at all times to a first priority, perfected Lien in favor of the Agent, for the benefit of the Holders of Secured Obligations, to secure the Secured Obligations in accordance with the terms and conditions of the Security Agreement.

(f) Releases.

(i) The Lenders hereby irrevocably authorize the Agent to, and the Agent shall, release any Liens granted to the Agent by the Loan Parties on any Collateral (i) upon the termination of the all Revolving Loan Commitments, the expiration or termination of all Facility LCs and payment and satisfaction in full in cash of all Secured Obligations (other than contingent indemnity obligations), (ii) upon the Company's request following the date upon which (a) the Company's S&P Rating is BBB- (with stable outlook) or better ***and*** (b) the Company's Moody's Rating is Baa3 (with stable outlook) or better (*provided*, that if either S&P or Moody's is unwilling to provide a rating following the use of reasonable efforts by the Company to obtain such rating, the parties will use the comparable rating of a substitute rating agency to be agreed by the Company and the Agent); *provided*, that following any

such release of Liens, the Leverage Ratio shall be adjusted as described in Section 6.19.1(b), (iii) constituting property being sold, transferred or otherwise disposed of (including, pursuant to a Qualified Receivables Transaction or Permitted Factoring Transaction) if the Company certifies to the Agent that such sale, transfer or disposition is made in compliance with the terms of this Agreement (and the Agent may rely conclusively on any such certificate, without further inquiry) *provided* that after such release the Company remains in compliance with Section 6.21(c) or (iv) as required to effect any sale or other disposition of such Collateral in connection with any exercise of remedies of the Agent and the Lenders pursuant to this Agreement. Any such release shall not in any manner discharge, affect, or impair the Obligations or any Liens (other than those expressly being released) upon (or obligations of the Loan Parties in respect of) all interests retained by the Loan Parties, including (without limitation) the proceeds of any sale, all of which shall continue to constitute part of the Collateral.

(ii) The Lenders hereby irrevocably authorize the Agent to, and the Agent shall, in the event of a sale, transfer or other disposition of all of the Equity Interests of any Domestic Subsidiary Guarantor if the Company certifies to the Agent that such sale, transfer or disposition is made in compliance with the terms of this Agreement (and the Agent may rely conclusively on any such certificate, without further inquiry), (x) release such Domestic Subsidiary Guarantor from its obligations under the Domestic Subsidiary Guaranty and each other Loan Document to which it is a party and (y) release any Liens granted to the Agent by such Domestic Subsidiary Guarantor on any Collateral (or by its parent on the Equity Interests of such Domestic Subsidiary Guarantor), *provided* that (i) such Domestic Subsidiary Guarantor is concurrently released from any obligations it may have with respect to Subordinated Indebtedness and Senior Note Indebtedness and (ii) after such release the Company remains in compliance with Section 6.21(c).

(g) Certain Foreign Law Pledge Agreements . Notwithstanding the foregoing provisions of this Section 6.21, the Company shall (or shall cause the applicable Subsidiary to) on or prior to the date thirty (30) days following the Closing Date (or such later date as the Agent shall agree in its sole discretion), execute and deliver to the Agent either an amendment and/or reaffirmation of each Foreign Law Pledge Agreement executed and delivered (or reaffirmed) under the Existing Credit Agreement (an "**Existing Foreign Law Pledge Agreement**") that is governed by the laws of France or Germany, or a substitute Foreign Law Pledge Agreement therefor, in any such case, as deemed appropriate under the applicable local law of such Foreign Law Pledge Agreement, together with such supporting documentation (including, without limitation, additional Collateral Documents, authorizing resolutions and/or opinions of counsel) as the Agent may reasonably request, in order to provide the Agent with a perfected, first priority security interest in the Equity Interests of the Foreign Subsidiary subject to such Foreign Law Pledge Agreement; it being understood and agreed that (i) amendment, reaffirmation, substitution or supporting documentation in connection with each Existing Foreign Law Pledge Agreement governed by the laws of the United Kingdom shall be delivered as a condition to the Closing Date and (ii) no such amendment, reaffirmation, substitution or supporting documentation shall be required with respect to the Existing Foreign Law Pledge Agreement governed by the laws of Hong Kong unless, as of the date one hundred eighty (180) days following the Closing Date (or such later date as the Agent shall agree in its sole discretion), the Foreign Subsidiary whose Equity Interests are pledged under such Existing Foreign Law Pledge Agreement constitutes a first-tier Material Foreign Subsidiary as of such date whose shares are required to be pledged pursuant to the terms of the other provisions of this Section 6.21.

(h) Additional Collateral; Further Assurances.

(i) Without limiting the foregoing, the Company will, and will cause each Subsidiary to, execute and deliver, or cause to be executed and delivered, to the Agent such documents, agreements and instruments, and will take or cause to be taken such further actions (including the filing and recording of financing statements and other documents, as applicable), which may be required by law or which the Agent may, from time to time, reasonably request to carry out the terms and conditions of this Agreement and the other Loan Documents and to ensure perfection and priority of the Liens created or intended to be created by the Collateral Documents, all at the expense of the Company.

(ii) If any assets of a type constituting Collateral under the Security Agreement are acquired by the Company or a Domestic Subsidiary Guarantor after the Closing Date (other than assets constituting Collateral under the Security Agreement that become subject to the Lien under the Security Agreement upon acquisition thereof), the Company will notify the Agent thereof, and, if requested by the Agent, the Company will cause such assets to be subjected to a Lien securing the Secured Obligations and will take, and cause the other Loan Parties to take, such actions as shall be necessary or reasonably requested by the Agent to grant and perfect such Liens, including actions described in Section 6.21(h)(i), all at the expense of the Company.

6.22. Centre of Main Interests and Establishment. No Foreign Subsidiary Borrower shall without the prior written consent of the Agent, take any action that shall cause its registered office or centre of main interests (as that term is used in Article 3(1) of the Regulation) to be situated outside of its jurisdiction of incorporation, or cause it to have an Establishment situated outside of its jurisdiction of incorporation.

6.23. Sanctions Laws and Regulations. (a) No Borrower shall, and each Borrower shall ensure that none of its Subsidiaries will, directly or indirectly use the proceeds of the Loans (i) for any purpose which would breach the U.K. Bribery Act 2010, the United States Foreign Corrupt Practices Act of 1977 or other similar legislation in other jurisdictions, (ii) to fund, finance or facilitate any activities, business or transaction of or with any Designated Person or in any Sanctioned Country, or otherwise in violation of Sanctions, as such Sanctions Lists or Sanctions are in effect from time to time or (iii) in any other manner that will result in the violation of any applicable Sanctions by any party to this Agreement.

(b) No Borrower shall, and each Borrower shall ensure that none of its Subsidiaries will, use funds or assets obtained directly or indirectly from transactions with or otherwise relating to (i) Designated Persons or (ii) any Sanctioned Country to pay or repay any amount owing to the Lenders under this Agreement.

(c) Each Borrower shall, and shall ensure that each of its Subsidiaries will (i) conduct its business in compliance with Anti-Corruption Laws, (ii) maintain policies and procedures designed to promote and achieve compliance with Anti-Corruption Laws and (iii) have appropriate controls and safeguards in place designed to prevent any proceeds of the Loans from being used contrary to the representations and undertakings set forth herein.

(d) Each Borrower shall, and shall ensure that each of its Subsidiaries will, comply in all material respects with all foreign and domestic laws, rules and regulations (including the USA PATRIOT Act, foreign exchange control regulations, foreign asset control regulations and other trade-related regulations) now or hereafter applicable to this Agreement, the transactions underlying this Agreement or such Borrower's execution, delivery and performance of this Agreement.

ARTICLE VII

DEFAULTS

The occurrence of any one or more of the following events shall constitute a Default:

7.1. Any representation or warranty made or deemed made by or on behalf of the Company or any of its Subsidiaries to the Lenders or the Agent under or in connection with this Agreement, any Credit Extension, or any certificate or information delivered in connection with this Agreement or any other Loan Document shall be materially false on the date as of which made.

7.2. Nonpayment of principal of any Loan when due, nonpayment of any Reimbursement Obligation within one Business Day after the same becomes due, or nonpayment of interest upon any Loan or of any commitment fee, LC Fee or other obligations under any of the Loan Documents within three Business Days after the same becomes due.

7.3. The breach by the Company of any of the terms or provisions of Section 6.2, 6.3 or 6.10 through 6.23.

7.4. The breach by any Loan Party (i) of Section 6.1 which is not remedied within ten days after the occurrence of such breach or (ii) (other than a breach which constitutes a Default under another Section of this Article VII) of any of the other terms or provisions of this Agreement or any other Loan Document which is not remedied within thirty days after the occurrence of such breach.

7.5. Failure of the Company or any of its Subsidiaries to pay when due any Material Indebtedness; or the default by the Company or any of its Subsidiaries in the performance (beyond the applicable grace period with respect thereto, if any) of any term, provision or condition contained in any Material Indebtedness Agreement, or any other event shall occur or condition exist, the effect of which default, event or condition is to cause, or to permit the holder(s) of such Material Indebtedness or the lender(s) under any Material Indebtedness Agreement to cause, such Material Indebtedness to become due prior to its stated maturity or any commitment to lend under any Material Indebtedness Agreement to be terminated prior to its stated expiration date (or, in the case of any Receivables Facility Attributable Indebtedness, cause such Indebtedness to amortize or liquidate or terminate the reinvestment of collections or proceeds of receivables); or any Material Indebtedness of the Company or any of its Subsidiaries shall be declared to be due and payable or required to be prepaid or repurchased (other than by a regularly scheduled payment) prior to the stated maturity thereof, provided, that the occurrence of any of the foregoing with respect to Receivables Facility Attributed Indebtedness shall not constitute a Default hereunder so long as the aggregate outstanding amount thereof does not exceed the Available Aggregate Revolving Loan Commitment; or the occurrence of an early termination under any Rate Management Transaction resulting from (i) any event of default under such Rate Management Transaction as to which the Company or any Subsidiary is the defaulting party or (ii) any termination event as to which the Company or any Subsidiary is an affected party and, in either event, the termination value or other similar obligation owed by the Company or such Subsidiary as a result thereof is in excess of $10,000,000 and remains unpaid; or the Company or any of its Subsidiaries shall not pay, or admit in writing its inability to pay, its debts generally as they become due.

7.6. Any Borrower or any Material Subsidiary shall (i) have an order for relief entered with respect to it under any Federal, state or foreign bankruptcy, insolvency, administrative receivership or similar law now or hereafter in effect, (ii) make an assignment for the benefit of creditors, (iii) apply for, seek, consent to, or acquiesce in, the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any Substantial Portion of its Property, (iv) institute any proceeding seeking an order for

relief under any Federal, state or foreign bankruptcy, insolvency, administrative receivership or similar law now or hereafter in effect or seeking to adjudicate it a bankrupt or insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or its debts under any Federal, state or foreign bankruptcy, insolvency, administrative receivership or similar law now or hereafter in effect or fail to file an answer or other pleading denying the material allegations of any such proceeding filed against it, (v) take any corporate or partnership action to authorize or effect any of the foregoing actions set forth in this Section 7.6 or (vi) fail to contest in good faith any appointment or proceeding described in Section 7.7.

7.7. Without the application, approval or consent of any Borrower or any Material Subsidiary, a receiver, trustee, examiner, liquidator or similar official shall be appointed for a Borrower or any Material Subsidiary or any Substantial Portion of its Property, or a proceeding described in Section 7.6(iv) shall be instituted against any Borrower or any Material Subsidiary and such appointment continues undischarged or such proceeding continues undismissed or unstayed for a period of 60 consecutive days.

7.8. A UK Insolvency Event shall occur in respect of any UK Borrower or any Material Subsidiary that is a UK Subsidiary, or any other UK Relevant Entity.

7.9. Any court, government or governmental agency shall condemn, seize or otherwise appropriate, or take custody or control of, all or any portion of the Property of the Company and its Subsidiaries which, when taken together with all other Property of the Company and its Subsidiaries so condemned, seized, appropriated, or taken custody or control of, during the twelve-month period ending with the month in which any such action occurs, constitutes a Substantial Portion.

7.10. The Company or any of its Subsidiaries shall fail within 30 days to pay, bond or otherwise discharge one or more (i) judgments or orders for the payment of money in excess of $10,000,000 (or the equivalent thereof in currencies other than Dollars) in the aggregate, but excluding any portion thereof which is covered by independent third-party insurance so long as the insurer is reasonably likely to be able to pay, has not disputed coverage and has accepted a tender of defense and indemnification or (ii) nonmonetary judgments or orders which, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect, which judgment(s), in any such case, is/are not stayed on appeal or otherwise being appropriately contested in good faith.

7.11. The Unfunded Liabilities of all Single Employer Plans shall exceed in the aggregate $25,000,000, or any Reportable Event shall have occurred with respect to any Plan that, together with all other Reportable Events that have occurred and are continuing, could reasonably be expected to result in liability to the Company and its Subsidiaries in an aggregate amount in excess of $20,000,000, or any Single Employer Plan shall have any Unfunded Liabilities for which a minimum funding waiver request has been filed under Section 412 of the Code or Section 302 of ERISA.

7.12. The Company or any other member of the Controlled Group shall have been notified by the sponsor of a Multiemployer Plan that it has incurred withdrawal liability to such Multiemployer Plan in an amount which, when aggregated with all other amounts required to be paid to Multiemployer Plans by the Company or any other member of the Controlled Group as withdrawal liability (determined as of the date of such notification), exceeds $20,000,000 or requires payments exceeding $5,000,000 per annum.

7.13. The Company or any of its Subsidiaries shall have been notified that any of them has, in relation to a Foreign Pension Plan, incurred a debt or other liability under section 75 or 75A of the United Kingdom Pensions Act 1995, or has been issued with a contribution notice or financial support direction (as those terms are defined in the United Kingdom Pensions Act 2004), or otherwise is liable to pay an amount

which, when aggregated with all other amounts required to be paid to Foreign Pension Plans by the Company or any other member of the Controlled Group, exceeds $20,000,000 or requires payments exceeding $5,000,000 per annum, or the equivalent sum in the applicable currency.

7.14. Any Loan Document shall fail to remain in full force or effect or any action shall be taken to discontinue or to assert the invalidity or unenforceability of any Loan Document, or any Loan Party shall fail to comply with any of the terms or provisions of any Loan Document to which it is a party, or any Loan Party shall deny that it has any further liability under any Loan Document to which it is a party, or shall give notice to such effect.

7.15. Any Collateral Document shall for any reason fail to create a valid and perfected first priority security interest in any material portion of the Collateral purported to be covered thereby, except as permitted by the terms of any Collateral Document, or any Collateral Document shall fail to remain in full force or effect or any action shall be taken to discontinue or to assert the invalidity or unenforceability of any Collateral Document.

7.16. Any Change in Control shall occur.

ARTICLE VIII

ACCELERATION, WAIVERS, AMENDMENTS AND REMEDIES

8.1. Acceleration. If any Default described in Section 7.6 or 7.7 occurs with respect to any Borrower, the obligations of the Lenders to make Loans hereunder and the obligation and power of the LC Issuer to issue Facility LCs shall automatically terminate and the Obligations shall immediately become due and payable without any election or action on the part of the Agent, the LC Issuer or any Lender and the Company will be and become thereby unconditionally obligated, without any further notice, act or demand, to pay to the Agent an amount in immediately available funds, which funds shall be held in the Facility LC Collateral Account, equal to the difference of (x) the amount of LC Obligations at such time, less (y) the amount on deposit in the Facility LC Collateral Account at such time which is free and clear of all rights and claims of third parties and has not been applied against the Obligations (such difference, the "**Collateral Shortfall Amount**"). If any other Default occurs, the Required Lenders (or the Agent with the consent of the Required Lenders) may (a) terminate or suspend the obligations of the Lenders to make Loans hereunder and the obligation and power of the LC Issuer to issue Facility LCs, or declare the Obligations to be due and payable, or both, whereupon the Obligations shall become immediately due and payable, without presentment, demand, protest or notice of any kind, all of which the Borrowers hereby expressly waive, and (b) upon notice to the Company and in addition to the continuing right to demand payment of all amounts payable under this Agreement, make demand on the Company to pay, and the Company will, forthwith upon such demand and without any further notice or act, pay to the Agent the Collateral Shortfall Amount, which funds shall be deposited in the Facility LC Collateral Account.

8.1.2. If at any time while any Default is continuing, the Agent determines that the Collateral Shortfall Amount at such time is greater than zero, the Agent may make demand on the Company to pay, and the Company will, forthwith upon such demand and without any further notice or act, pay to the Agent the Collateral Shortfall Amount, which funds shall be deposited in the Facility LC Collateral Account.

8.1.3. Notwithstanding anything to the contrary herein, the portions of the Collateral Shortfall Amount attributable to LC Obligations for Facility LCs issued in Foreign Currencies shall be deposited in the applicable Foreign Currencies in the actual amounts of

such LC Obligations. For purposes of determining the Collateral Shortfall Amount under this Agreement, the LC Obligations shall be calculated using the applicable Exchange Rate on the date notice cash collateralization is delivered to the Company (or on the date of any Default described in Section 7.6 or 7.7 with respect to any Borrower).

8.1.4. The Agent may at any time or from time to time after funds are deposited in the Facility LC Collateral Account, apply such funds to the payment of the Obligations and any other amounts as shall from time to time have become due and payable by the Company to the Lenders or the LC Issuer under the Loan Documents.

8.1.5. At any time while any Default is continuing, neither the Company nor any Person claiming on behalf of or through the Company shall have any right to withdraw any of the funds held in the Facility LC Collateral Account. After this Agreement has terminated in accordance with Section 2.7(c), any funds remaining in the Facility LC Collateral Account shall be returned by the Agent to the Company or paid to whomever may be legally entitled thereto at such time.

8.1.6. At any time while any Default is continuing, the Agent may, with the consent of the Required Lenders, exercise any rights and remedies provided to the Agent under the Loan Documents or at law or equity, including all remedies provided under the UCC.

8.1.7. If, within 30 days after acceleration of the maturity of the Obligations or termination of the obligations of the Lenders to make Loans and the obligation and power of the LC Issuer to issue Facility LCs hereunder as a result of any Default (other than any Default as described in Section 7.6 or 7.7 with respect to a Borrower) and before any judgment or decree for the payment of the Obligations due shall have been obtained or entered, the Required Lenders (in their sole discretion) shall so direct, the Agent shall, by notice to the Borrowers, rescind and annul such acceleration and/or termination.

8.2. Amendments.

(a) Subject to the provisions of this Section 8.2 and other than in the case of a Dutch Borrower Amendment, the Required Lenders (or the Agent with the consent in writing of the Required Lenders) and the Borrowers may enter into agreements supplemental hereto for the purpose of adding or modifying any provisions to this Agreement or changing in any manner the rights of the Lenders or the Borrowers hereunder or waiving any Default hereunder; *provided*, *however*, that no such supplemental agreement shall:

(i) Reduce the principal amount of any Loan or Reimbursement Obligation or reduce the rate of interest thereon, or reduce any fees payable hereunder, without the written consent of each Lender directly affected thereby.

(ii) Postpone the scheduled date of payment of the principal amount of any Loan or Reimbursement Obligation, or any interest thereon, or any fees payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Revolving Loan Commitment or Term Loan Commitment, without the written consent of each Lender directly affected thereby.

(iii) Reduce the percentage specified in the definition of Required Lenders or any other percentage of Lenders specified to be the applicable percentage in this Agreement to act on

specified matters without the consent of each Lender (or, in the case of the percentage specified in the definition of Required Revolving Lenders, without the consent of each Revolving Lender) (it being understood that, solely with the consent of the parties prescribed by Section 2.5(c) to be parties to an Incremental Term Loan Amendment, Incremental Term Loans may be included in the determination of Required Lenders on substantially the same basis as the Revolving Loan Commitments, Revolving Loans and Term Loans are included on the Closing Date).

(iv) Increase the amount of the Revolving Loan Commitment or Term Loan Commitment of any Lender hereunder without the consent of such Lender.

(v) Permit any Borrower to assign its rights under this Agreement without the written consent of each Lender.

(vi) Amend this Section 8.2 without the written consent of each Lender.

(vii) Amend the definition of "Agreed Currency" set forth in Section 1.1 without the written consent of each Lender directly affected thereby.

(viii) Release any Domestic Subsidiary Guarantor, except in connection with a disposition of all of the Equity Interests of a Domestic Subsidiary Guarantor otherwise permitted by the Loan Documents, or, except as provided in the Collateral Documents, release all or substantially all of the Collateral, in any such case, without the written consent of each Lender.

(ix) (A) Release the Company from its obligations under Section 16.1 or (B) unless at such time no other Foreign Subsidiary Borrowers are party hereto, release any Foreign Subsidiary Borrower from its obligations under any Subsidiary Guaranty without the written consent of each Lender.

(x) Amend Section 11.2 in a manner that would alter the pro rata sharing of payments required thereby without the written consent of each Lender directly affected thereby.

(b) No amendment of any provision of this Agreement relating to the Agent shall be effective without the written consent of the Agent, and no amendment of any provision relating to the LC Issuer shall be effective without the written consent of the LC Issuer. No amendment to any provision of this Agreement relating to the Swing Line Lender or any Swing Line Loans shall be affective without the written consent of the Swing Line Lender. The Agent may waive payment of the fee required under Section 12.3.2. No amendment to Section 2.21 shall be effective without the written consent of the Agent, the LC Issuer and the Swing Line Lender.

(c) Notwithstanding the foregoing, (i) this Agreement may be amended or amended and restated pursuant to an Incremental Term Loan Amendment pursuant to Section 2.5(c) with only the consents prescribed by such Section and (ii) this Agreement may be amended (or amended and restated) with the written consent of the Required Lenders, the Agent and the Company (x) to add one or more credit facilities to this Agreement and to permit extensions of credit from time to time outstanding thereunder and the accrued interest and fees in respect thereof to share ratably in the benefits of this Agreement and the other Loan Documents with the Revolving Loans, Term Loans and the accrued interest and fees in respect thereof and (y) to include appropriately the Lenders holding such credit facilities in any determination of the Required Lenders and Lenders.

(d) If, in connection with any proposed amendment, waiver or consent requiring the consent of "each Lender" or "each Lender directly affected thereby," the consent of the Required Lenders is obtained, but the consent of other necessary Lenders is not obtained (any such Lender whose consent is necessary but not obtained being referred to herein as a "**Non-Consenting Lender**"), then the Company may elect to replace a Non-Consenting Lender as a Lender party to this Agreement, *provided* that, concurrently with such replacement, (i) another bank or other entity which is reasonably satisfactory to the Company, the Agent and (if such Non-Consenting Lender is a Revolving Lender) JPMorgan in its capacity as LC Issuer and Swing Line Lender shall agree, as of such date, to purchase for cash the Advances and other Obligations due to the Non-Consenting Lender pursuant to an assignment substantially in the form of Exhibit C and to become a Lender for all purposes under this Agreement and to assume all obligations of the Non-Consenting Lender to be terminated as of such date and to comply with the requirements of Section 12.3 applicable to assignments, and (ii) the Borrowers shall pay to such Non-Consenting Lender in same day funds on the day of such replacement (A) all interest, fees and other amounts then accrued but unpaid to such Non-Consenting Lender by the Borrowers hereunder to and including the date of termination, including without limitation payments due to such Non-Consenting Lender under Sections 3.1, 3.2, 3.5 and 3.6, and (B) an amount, if any, equal to the payment which would have been due to such Lender on the day of such replacement under Section 3.4 had the Loans of such Non-Consenting Lender been prepaid on such date rather than sold to the replacement Lender.

(e) Notwithstanding anything to the contrary herein the Agent may, with the consent of the Borrowers only, amend, modify or supplement this Agreement or any of the other Loan Documents to cure any ambiguity, omission, mistake, defect or inconsistency.

8.3. Preservation of Rights. No delay or omission of the Lenders, the LC Issuer or the Agent to exercise any right under the Loan Documents shall impair such right or be construed to be a waiver of any Default or an acquiescence therein, and the making of a Credit Extension notwithstanding the existence of a Default or the inability of any Borrower to satisfy the conditions precedent to such Credit Extension shall not constitute any waiver or acquiescence. Any single or partial exercise of any such right shall not preclude other or further exercise thereof or the exercise of any other right, and no waiver, amendment or other variation of the terms, conditions or provisions of the Loan Documents whatsoever shall be valid unless in writing signed by the Lenders required pursuant to Section 8.2 or such Loan Documents, and then only to the extent in such writing specifically set forth. All remedies contained in the Loan Documents or by law afforded shall be cumulative and all shall be available to the Agent, the LC Issuer and the Lenders until this Agreement terminates as described in Section 2.7(c).

ARTICLE IX

GENERAL PROVISIONS

9.1. Survival of Representations. All representations and warranties of the Borrowers contained in this Agreement shall survive the making of the Credit Extensions herein contemplated.

9.2. Governmental Regulation. Anything contained in this Agreement to the contrary notwithstanding, neither the LC Issuer nor any Lender shall be obligated to extend credit to any Borrower in violation of any limitation or prohibition provided by any applicable statute or regulation.

9.3. Headings. Section headings in the Loan Documents are for convenience of reference only, and shall not govern the interpretation of any of the provisions of the Loan Documents.

9.4. Entire Agreement. The Loan Documents embody the entire agreement and understanding among the Borrowers, the Agent, the LC Issuer and the Lenders and, subject to Section 1.3, supersede all prior agreements and understandings among the Borrowers, the Agent, the LC Issuer and the Lenders relating to the subject matter thereof other than those contained in the fee letters described in Section 10.13, which shall survive and remain in full force and effect during the term of this Agreement.

9.5. Several Obligations; Benefits of this Agreement. The respective obligations of the Lenders hereunder are several and not joint and no Lender shall be the partner or agent of any other (except to the extent to which the Agent is authorized to act as such). The failure of any Lender to perform any of its obligations hereunder shall not relieve any other Lender from any of its obligations hereunder. This Agreement shall not be construed so as to confer any right or benefit upon any Person other than the parties to this Agreement and their respective successors and assigns, *provided*, *however*, that the parties hereto expressly agree that each Arranger shall enjoy the benefits of the provisions of Sections 9.6, 9.10 and 10.11 to the extent specifically set forth therein and shall have the right to enforce such provisions on its own behalf and in its own name to the same extent as if it were a party to this Agreement.

9.6. Expenses; Indemnification. (i) The Company shall reimburse the Agent and the Arrangers for any costs, internal charges and reasonable out-of-pocket expenses (including reasonable attorneys' fees and time charges of attorneys for the Agent, which attorneys may be employees of the Agent) paid or incurred by the Agent or the Arrangers in connection with the preparation, negotiation, execution, delivery, syndication, distribution (including, without limitation, via the internet or through a service such as IntraLinks), review, amendment, modification, and administration of the Loan Documents. The Company also agrees to reimburse the Agent, the Arrangers, the LC Issuer and the Lenders for any costs, internal charges and out-of-pocket expenses (including reasonable attorneys' fees and time charges of attorneys for the Agent, the Arrangers, the LC Issuer and the Lenders, which attorneys may be employees of the Agent, the Arrangers, the LC Issuer or the Lenders) paid or incurred by the Agent, the Arrangers, the LC Issuer or any Lender in connection with the collection and enforcement of, or protection of its rights under, the Loan Documents.

(ii) The Company hereby further agrees to indemnify the Agent, the Arrangers, the LC Issuer, each Lender, their respective affiliates, and each of such Person's respective directors, officers, employees, agents and advisors, against all losses, claims, damages, penalties, judgments, liabilities and expenses (including, without limitation, all expenses of litigation or preparation therefor whether or not the Agent, the Arrangers, the LC Issuer, any Lender or any affiliate is a party thereto) which any of them may pay or incur arising out of or relating to this Agreement, the other Loan Documents, the transactions contemplated hereby or the direct or indirect application or proposed application of the proceeds of any Credit Extension hereunder, any or any actual or alleged presence or release of hazardous materials on or from any Property owned or operated by the Company or any of its Subsidiaries, or any environmental liability related in any way to the Company or any of its Subsidiaries, except in any such case, to the extent that they are determined in a final non-appealable judgment by a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of the party seeking indemnification. To the fullest extent permitted by applicable law, no Borrower shall assert, and each Borrower hereby waives, any claim against any indemnitee hereunder (i) for any damages arising from the use by others of information or other materials obtained through telecommunications, electronic or other information transmission systems (including the Internet), or (ii) on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, any Loan or Letter of Credit or the use of the proceeds thereof. The obligations of the Company under this Section 9.6 shall survive the termination of this Agreement.

9.7. Numbers of Documents. All statements, notices, closing documents, and requests hereunder shall be furnished to the Agent with sufficient counterparts so that the Agent may furnish one to each of the Lenders.

9.8. Accounting. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; *provided* that, if the Company notifies the Agent that the Company requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Agent notifies the Company that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith. Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made (i) without giving effect to any election under Accounting Standards Codification 825-10-25 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities of the Company or any Subsidiary at "fair value", as defined therein, (ii) without giving effect to any treatment of Indebtedness in respect of convertible debt instruments under Accounting Standards Codification 470-20 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any such Indebtedness in a reduced or bifurcated manner as described therein, and such Indebtedness shall at all times be valued at the full stated principal amount thereof and (iii) without giving effect to any changes in the treatment of operating leases under GAAP that would change the classification of any such lease as of the Closing Date (and any similar lease entered into after the Closing Date shall be accounted for as obligations relating to an operating lease and not as obligations relating to a capital lease).

9.9. Severability of Provisions. Any provision in any Loan Document that is held to be inoperative, unenforceable, or invalid in any jurisdiction shall, as to that jurisdiction, be inoperative, unenforceable, or invalid without affecting the remaining provisions in that jurisdiction or the operation, enforceability, or validity of that provision in any other jurisdiction, and to this end the provisions of all Loan Documents are declared to be severable.

9.10. Nonliability of Lenders. The relationship between the Borrowers on the one hand and the Lenders, the LC Issuer and the Agent on the other hand shall be solely that of borrower and lender. None of the Agent, the Arrangers, the LC Issuer nor any Lender shall have any advisory, agent or fiduciary responsibilities to any Borrower. Neither the Agent (except to the limited extent as provided by Section 12.3.4 relating to maintaining the Register), the Arrangers, the LC Issuers nor any Lender shall have any advisory, agent or fiduciary responsibilities to the Borrowers or any other Loan Party or any of their respective Affiliates or any other Person. No Lender or any of its Affiliates has any obligation to the Borrowers or any of their respective Affiliates with respect to the transactions contemplated hereby except, in the case of a Lender, those obligations expressly set forth herein and in the other Loan Documents. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), each the Borrower acknowledges and agrees that: (i) (A) the arranging and other services regarding this Agreement provided by the Lenders are arm's-length commercial transactions between such Borrower and its Affiliates, on the one hand, and the Lenders and their Affiliates, on the other hand, (B) such Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) such Borrower is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by

the other Loan Documents; (ii) (A) each of the Lenders and their Affiliates is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for such Borrower or any of its Affiliates, or any other Person and (B) no Lender or any of its Affiliates has any obligation to such Borrower or any of its Affiliates with respect to the transactions contemplated hereby except, in the case of a Lender, those obligations expressly set forth herein and in the other Loan Documents; and (iii) each of the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of such Borrower and its Affiliates, and no Lender or any of its Affiliates has any obligation to disclose any of such interests to such Borrower or its Affiliates. To the fullest extent permitted by applicable law, each Borrower hereby waives and releases any claims that it may have against each of the Lenders and their Affiliates with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

9.11. Confidentiality. The Agent and each Lender agrees to hold any confidential information which it may receive from the Borrowers in connection with this Agreement in confidence, except for disclosure (i) to its Affiliates and to the Agent and any other Lender and their respective Affiliates, (ii) to legal counsel, accountants, and other professional advisors to such Lender or to a Transferee, (iii) to regulatory officials, (iv) to any Person as requested pursuant to or as required by law, regulation, or legal process, (v) to any Person in connection with any legal proceeding to which it or its Affiliates is a party, (vi) to its direct or indirect contractual counterparties in swap agreements or to legal counsel, accountants and other professional advisors to such counterparties, (vii) permitted by Section 12.4, and (viii) to rating agencies if requested or required by such agencies in connection with a rating relating to the Advances hereunder. Without limiting Section 9.4, each Borrower agrees that the terms of this Section 9.11 shall set forth the entire agreement between such Borrower and each Lender (including the Agent) with respect to any confidential information previously or hereafter received by such Lender in connection with this Agreement, and this Section 9.11 shall supersede any and all prior confidentiality agreements entered into by such Lender with respect to such confidential information.

9.12. Disclosure. The Borrowers and each Lender hereby acknowledge and agree that JPMorgan and/or its Affiliates from time to time may hold investments in, make other loans to or have other relationships with the Company and its Affiliates.

9.13. USA PATRIOT ACT; European “Know Your Customer” Checks.

9.13.1. Each Lender hereby notifies the Borrowers that pursuant to the requirements of the USA PATRIOT Act, it is required to obtain, verify and record information that identifies such Borrower, which information includes the name and address of such Borrower and other information that will allow such Lender to identify such Borrower in accordance with the USA PATRIOT Act.

9.13.2. If (a) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the date of this Agreement; (b) any change in the status of a Borrower after the date of this Agreement; or (c) a proposed assignment or transfer by a Lender of any of its rights and obligations under this Agreement to a party that is not a Lender prior to such assignment or transfer, obliges the Agent or any Lender (or, in the case of clause (c) above, any prospective new Lender) to comply with “know your customer” or similar identification procedures in circumstances where the necessary information is not already available to it, each Borrower shall promptly upon the request of the Agent or any Lender supply, or procure the supply of, such documentation

and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or any Lender (for itself or, in the case of the event described in clause (c) above, on behalf of any prospective new Lender) in order for the Agent, such Lender or, in the case of the event described in clause (c) above, any prospective new Lender to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in this Agreement and the other Loan Documents. Each Lender shall promptly upon the request of the Agent supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself) in order for the Agent to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in this Agreement and the other Loan Documents.

9.14. English Language. All certificates, instruments and other documents to be delivered under or supplied in connection with this Agreement shall be in the English language or shall attach a certified English translation thereof, which translation shall be the governing version. Within one month of the delivery of any financial statements or other information written in a language other than English, the Company shall deliver to the Agent (for distribution to the Lenders) an English translation of such financial statements.

9.15. Borrower Limitations. Each Borrower shall be liable for its Obligations (including, without limitation, Loans extended to it). The Company shall be liable for each Foreign Subsidiary Borrower's Obligations. Each Foreign Subsidiary Borrower shall be liable for each other Foreign Subsidiary Borrower's Obligations to extent set forth in its respective Subsidiary Guaranty, but shall in no event be liable for any of the Company's Obligations. Each Domestic Subsidiary Guarantor shall guaranty the repayment of all Obligations, irrespective of the Borrower that incurs such Obligations.

9.16. Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable law (collectively the "Charges"), shall exceed the maximum lawful rate (the "Maximum Rate") which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

ARTICLE X

THE AGENT

10.1. Appointment; Nature of Relationship. JPMorgan is hereby appointed by each of the Lenders as its contractual representative (herein referred to as the "**Agent**") hereunder and under each other Loan Document, and each of the Lenders irrevocably authorizes the Agent to act as the contractual representative of such Lender with the rights and duties expressly set forth herein and in the other Loan Documents. The Agent agrees to act as such contractual representative upon the express conditions contained in this Article X. Notwithstanding the use of the defined term "Agent," it is expressly understood and agreed that the Agent

shall not have any fiduciary responsibilities to any Lender by reason of this Agreement or any other Loan Document and that the Agent is merely acting as the contractual representative of the Lenders with only those duties as are expressly set forth in this Agreement and the other Loan Documents. In its capacity as the Lenders' contractual representative, the Agent (i) does not hereby assume any fiduciary duties to any of the Lenders, (ii) is a "representative" of the Lenders within the meaning of the term "secured party" as defined in the Illinois Uniform Commercial Code and (iii) is acting as an independent contractor, the rights and duties of which are limited to those expressly set forth in this Agreement and the other Loan Documents. Each of the Lenders hereby agrees to assert no claim against the Agent on any agency theory or any other theory of liability for breach of fiduciary duty, all of which claims each Lender hereby waives. Except as expressly set forth herein, the Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Company or any of its Subsidiaries that is communicated to or obtained by the bank serving as Agent or any of its Affiliates in any capacity.

10.2. Powers. The Agent shall have and may exercise such powers under the Loan Documents as are specifically delegated to the Agent by the terms of each thereof, together with such powers as are reasonably incidental thereto. The Agent shall have no implied duties to the Lenders, or any obligation to the Lenders to take any action thereunder except any action specifically provided by the Loan Documents to be taken by the Agent.

10.3. General Immunity. Neither the Agent nor any of its directors, officers, agents or employees shall be liable to the Borrowers, the Lenders or any Lender for any action taken or omitted to be taken by it or them hereunder or under any other Loan Document or in connection herewith or therewith except to the extent such action or inaction is determined in a final non-appealable judgment by a court of competent jurisdiction to have arisen from the gross negligence or willful misconduct of such Person.

10.4. No Responsibility for Loans, Recitals, etc. Neither the Agent nor any of its directors, officers, agents or employees shall be responsible for or have any duty to ascertain, inquire into, or verify (a) any statement, warranty or representation made in connection with any Loan Document or any borrowing hereunder; (b) the performance or observance of any of the covenants or agreements of any obligor under any Loan Document, including, without limitation, any agreement by an obligor to furnish information directly to each Lender; (c) the satisfaction of any condition specified in Article IV, except receipt of items required to be delivered solely to the Agent; (d) the existence or possible existence of any Default or Unmatured Default; (e) the validity, enforceability, effectiveness, sufficiency or genuineness of any Loan Document or any other instrument or writing furnished in connection therewith; (f) the value, sufficiency, creation, perfection or priority of any Lien in any collateral security; or (g) the financial condition of any Borrower or any guarantor of any of the Obligations or of any Borrower's or any such guarantor's respective Subsidiaries.

10.5. Action on Instructions of Lenders. The Agent shall in all cases be fully protected in acting, or in refraining from acting, hereunder and under any other Loan Document in accordance with written instructions signed by the Required Lenders, and such instructions and any action taken or failure to act pursuant thereto shall be binding on all of the Lenders. The Lenders hereby acknowledge that the Agent shall be under no duty to take any discretionary action permitted to be taken by it pursuant to the provisions of this Agreement or any other Loan Document unless it shall be requested in writing to do so by the Required Lenders. The Agent shall be fully justified in failing or refusing to take any action hereunder and under any other Loan Document unless it shall first be indemnified to its satisfaction by the Lenders pro rata against any and all liability, cost and expense that it may incur by reason of taking or continuing to take any such action.

10.6. Employment of Agents and Counsel. The Agent may execute any of its duties as Agent hereunder and under any other Loan Document by or through employees, agents, and attorneys-in-fact and shall not be answerable to the Lenders, except as to money or securities received by it or its authorized agents, for the default or misconduct of any such agents or attorneys-in-fact selected by it with reasonable care. The Agent shall be entitled to advice of counsel concerning the contractual arrangement between the Agent and the Lenders and all matters pertaining to the Agent's duties hereunder and under any other Loan Document.

10.7. Reliance on Documents; Counsel. The Agent shall be entitled to rely upon any Note, notice, consent, certificate, affidavit, letter, telegram, facsimile, telex, electronic mail message, statement, paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons, and, in respect to legal matters, upon the opinion of counsel selected by the Agent, which counsel may be employees of the Agent. For purposes of determining compliance with the conditions specified in Sections 4.1, 4.2 and 4.3, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Agent shall have received notice from such Lender prior to the applicable date specifying its objection thereto.

10.8. Agent's Reimbursement and Indemnification. The Lenders agree to reimburse and indemnify the Agent ratably in proportion to their respective Pro Rata Shares of the applicable amount (i) for any amounts not reimbursed by the Company for which the Agent is entitled to reimbursement by the Company under the Loan Documents, (ii) for any other expenses incurred by the Agent on behalf of the Lenders, in connection with the preparation, execution, delivery, administration and enforcement of the Loan Documents (including, without limitation, for any expenses incurred by the Agent in connection with any dispute between the Agent and any Lender or between two or more of the Lenders) and (iii) for any liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind and nature whatsoever which may be imposed on, incurred by or asserted against the Agent in any way relating to or arising out of the Loan Documents or any other document delivered in connection therewith or the transactions contemplated thereby (including, without limitation, for any such amounts incurred by or asserted against the Agent in connection with any dispute between the Agent and any Lender or between two or more of the Lenders), or the enforcement of any of the terms of the Loan Documents or of any such other documents, *provided* that (i) no Lender shall be liable for any of the foregoing to the extent any of the foregoing is found in a final non-appealable judgment by a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of the Agent, (ii) any indemnification required pursuant to Section 3.5.6 shall, notwithstanding the provisions of this Section 10.8, be paid by the relevant Lender in accordance with the provisions thereof. The obligations of the Lenders under this Section 10.8 shall survive payment of the Obligations and termination of this Agreement; *provided, however,* that any such amounts relating solely to the Term Loan Facility (as determined by the Agent in its sole discretion) shall be reimbursed by the Term Loan Lenders ratably in proportion to their respective Term Loan Pro Rata Shares thereof and any such amounts relating solely to the Revolving Loan Facility (as determined by the Agent in its sole discretion) shall be reimbursement by the Revolving Lenders ratably in proportion to their respective Revolving Loan Pro Rata Shares thereof.

10.9. Notice of Default. The Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Unmatured Default hereunder unless the Agent has received written notice from a Lender or a Borrower referring to this Agreement describing such Default or Unmatured Default and stating that such notice is a "notice of default". In the event that the Agent receives such a notice, the Agent shall give prompt notice thereof to the Lenders.

10.10. Rights as a Lender. In the event the Agent is a Lender, the Agent shall have the same rights and powers hereunder and under any other Loan Document with respect to its Revolving Loan Commitment, its Term Loan Commitment and its Loans as any Lender and may exercise the same as though it were not the Agent, and the term "Lender" or "Lenders" shall, at any time when the Agent is a Lender, unless the context otherwise indicates, include the Agent in its individual capacity. The Agent and its Affiliates may accept deposits from, lend money to, and generally engage in any kind of trust, debt, equity or other transaction, in addition to those contemplated by this Agreement or any other Loan Document, with the Company or any of its Subsidiaries in which the Company or such Subsidiary is not restricted hereby from engaging with any other Person.

10.11. Lender Credit Decision. Each Lender acknowledges and agrees that the extensions of credit made hereunder are commercial loans and letters of credit and not investments in a business enterprise or securities. Each Lender further represents that it is engaged in making, acquiring or holding commercial loans in the ordinary course of its business and has, independently and without reliance upon the Agent, the Arrangers or any other Lender and based on the financial statements prepared by the Borrowers and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement and the other Loan Documents. Each Lender also acknowledges that it will, independently and without reliance upon the Agent, the Arrangers or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement and the other Loan Documents. Except for any notice, report, document or other information expressly required to be furnished to the Lenders by the Agent or Arrangers hereunder, neither the Agent nor the Arrangers shall have any duty or responsibility (either initially or on a continuing basis) to provide any Lender with any notice, report, document, credit information or other information concerning the affairs, financial condition or business of the Borrowers or any of their respective Affiliates that may come into the possession of the Agent or Arrangers (whether or not in their respective capacity as Agent or Arranger) or any of their Affiliates.

10.12. Successor Agent. The Agent may resign at any time by giving written notice thereof to the Lenders and the Borrowers, such resignation to be effective upon the appointment of a successor Agent or, if no successor Agent has been appointed, forty-five days after the retiring Agent gives notice of its intention to resign. Upon any such resignation, the Required Lenders shall have the right to appoint, on behalf of the Borrowers and the Lenders, a successor Agent. If no successor Agent shall have been so appointed by the Required Lenders within thirty days after the resigning Agent's giving notice of its intention to resign, then the resigning Agent may appoint, on behalf of the Borrower and the Lenders, a successor Agent. Notwithstanding the previous sentence, the Agent may at any time without the consent of any Borrower or any Lender, appoint any of its Affiliates which is a commercial bank as a successor Agent hereunder. If the Agent has resigned and no successor Agent has been appointed, the Lenders may perform all the duties of the Agent hereunder and the Borrowers shall make all payments in respect of the Obligations to the applicable Lender and for all other purposes shall deal directly with the Lenders. No successor Agent shall be deemed to be appointed hereunder until such successor Agent has accepted the appointment. Any such successor Agent shall be a commercial bank having capital and retained earnings of at least $100,000,000. Upon the acceptance of any appointment as Agent hereunder by a successor Agent, such successor Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the resigning Agent. Upon the effectiveness of the resignation of the Agent, the resigning Agent shall be discharged from its duties and obligations hereunder and under the Loan Documents. After the effectiveness of the resignation of an Agent, the provisions of this Article X shall continue in effect for the benefit of such Agent in respect of any actions taken or omitted to be taken by it while it was acting as the Agent hereunder and under the other Loan Documents. In the event that there is a successor to the Agent by merger, or the Agent assigns

its duties and obligations to an Affiliate pursuant to this Section 10.12, then the term "Prime Rate" as used in this Agreement shall mean the prime rate, base rate or other analogous rate of the new Agent.

10.13. Agent and Arranger Fees. Without limiting the continuing applicability of any fee letters delivered in connection with the Existing Credit Agreement, the Company agrees to pay to the Agent and the Arrangers, for their respective accounts, the fees agreed to by the Borrower and the Arrangers pursuant to the letter agreements among such parties dated January 24, 2011, or as otherwise agreed from time to time.

10.14. Delegation to Affiliates. The Borrowers and the Lenders agree that the Agent may delegate any of its duties under this Agreement to any of its Affiliates. Any such Affiliate (and such Affiliate's directors, officers, agents and employees) which performs duties in connection with this Agreement shall be entitled to the same benefits of the indemnification, waiver and other protective provisions to which the Agent is entitled under Articles IX and X.

10.15. Collateral Matters.

10.15.4. In its capacity, the Agent is a "representative" of the Holders of Secured Obligations within the meaning of the term "secured party" as defined in the Illinois Uniform Commercial Code. Each Lender authorizes the Agent to enter into and amend pursuant to, and in accordance with, Section 8.2 each Guaranty, Collateral Document or related intercreditor agreement to which it is or may become a party and to take all action contemplated by such documents (it being agreed that clauses (vii) and (ix) of the proviso in Section 8.2(a) shall apply to amendments to any Loan Document). Each Lender agrees that no Holder of Secured Obligations (other than the Agent) shall have the right individually to seek to realize upon the security granted by any Collateral Document, it being understood and agreed that such rights and remedies may be exercised solely by the Agent upon the terms of the Collateral Documents. In the event that any Collateral is hereafter pledged by any Person as collateral security for the Secured Obligations, the Agent is hereby authorized, and hereby granted a power of attorney, to execute and deliver on behalf of the Holders of Secured Obligations any Loan Documents necessary or appropriate to grant and perfect a Lien on such Collateral in favor of the Agent on behalf of the Holders of Secured Obligations.

10.15.5. Each Lender hereby appoints each other Lender as its agent for the purpose of perfecting Liens, for the benefit of the Agent and the Holders of Secured Obligations, in assets which, in accordance with Article 9 of the UCC or any other applicable law can be perfected only by possession. Should any Lender (other than the Agent) obtain possession of any such Collateral, such Lender shall notify the Agent thereof, and, promptly upon the Agent's request therefor shall deliver such Collateral to the Agent or otherwise deal with such Collateral in accordance with the Agent's instructions.

10.16. Guaranty and Collateral Releases.

10.16.3. The Lenders hereby authorize the Agent, at its option and in its discretion, to permit the release of any Domestic Subsidiary Guarantor from the Domestic Subsidiary Guaranty or of any Lien granted to or held by the Agent upon any Collateral (i) as described in Section 6.21(f); (ii) as permitted by, but only in accordance with, the terms of the applicable Loan Documents; or (iii) if approved, authorized or ratified in writing by the Required Lenders, unless such release is required to be approved by all of the Lenders hereunder. Upon request by the Agent at any time, the Lenders will confirm in writing the Agent's

authority to release any particular Subsidiary Guarantor or particular types or items of Collateral pursuant hereto.

10.16.4. Upon any sale or transfer of assets constituting Collateral which is permitted pursuant to the terms of any Loan Document, or consented to in writing by the Required Lenders or all of the Lenders, as applicable, and upon at least five Business Days' prior written request by the Company, the Agent shall (and is hereby irrevocably authorized by the Lenders to) execute such documents as may be necessary to evidence the release of the Liens granted to the Agent herein or pursuant hereto upon the Collateral that was sold or transferred; *provided, however,* that (i) the Agent shall not be required to execute any such document on terms which, in the Agent's opinion, would expose the Agent to liability or create any obligation or entail any consequence other than the release of such Liens without recourse or warranty, and (ii) such release shall not in any manner discharge, affect or impair the Secured Obligations or any Liens upon (or obligations of the Loan Parties in respect of) all interests retained by the Loan Parties, including (without limitation) the proceeds of the sale, all of which shall continue to constitute part of the Collateral.

10.17. Parallel Debt.

10.17.2. The Company hereby irrevocably and unconditionally undertakes to pay to the Agent an amount equal to the aggregate amount due (*verschuldigd*) in respect of (i) its Obligations (including its Obligations pursuant to Clause 16.1 of the Credit Agreement) and (ii) all Rate Management Obligations and Banking Services Obligations owing by the Company to one or more Lenders or their respective Affiliates, in each case, as they may exist from time to time. The payment undertaking of the Company to the Agent under this Section 10.17.1. is hereinafter referred to as the "**Parallel US Debt**". Each Dutch Borrower (together with the Company, each a "**Parallel Debt Obligor**") hereby irrevocably and unconditionally undertakes to pay to the Agent an amount equal to the aggregate amount due (*verschuldigd*) in respect of (i) its Obligations (including its Obligations pursuant to the relevant Guaranty) and (ii) all Rate Management Obligations and Banking Services Obligations owing by such Dutch Borrower to one or more Lenders or their respective Affiliates, in each case, as they may exist from time to time. The payment undertaking of each Dutch Borrower to the Agent under this Section 10.17.1 is hereinafter to be referred to as the "**Parallel Foreign Debt**". The Parallel US Debt and each Parallel Foreign Debt are hereinafter also to be referred to as a "**Parallel Debt**".

10.17.3. Each Parallel Debt will be payable in the currency or currencies of the corresponding Obligations, Rate Management Obligations or Banking Services Obligations, respectively.

10.17.4. Any obligation under the Parallel Debt of any Parallel Debt Obligor shall become due and payable (*opeisbaar*) as and when and to the extent one or more of the corresponding Obligations, Rate Management Obligations and Banking Services Obligations, respectively, become due and payable. Each of the parties hereto agree that a Default in respect of the Obligations, the Rate Management Obligations or the Banking Services Obligations shall constitute a default (*verzuim*) within the meaning of Article 3:248 Netherlands Civil Code with respect to the relevant Parallel Debt of a Parallel Debt Obligor as well without any notice being required therefor.

10.17.5. Each of the parties hereto acknowledges that:

(a) The Parallel Debt of each Parallel Debt Obligor constitutes an undertaking, obligation and liability of such Parallel Debt Obligor to the Agent which is separate and independent from, and without prejudice to, the Obligations, the Rate Management Obligations or the Banking Services Obligations; and

(b) The Parallel Debt of each Parallel Debt Obligor represents the Agent's own separate and independent claim (*eigen en zelfstandige vordering*) to receive payment of such Parallel Debt from such Parallel Debt Obligor and shall not constitute the Agent and any holder of Obligations, the Rate Management Obligations or the Banking Services Obligations, as joint creditors (*hoofdelijk schuldeisers*) of any Obligation, the Rate Management Obligations and the Banking Services Obligations.

It being understood that the amount which may become payable by a Parallel Debt Obligor as its Parallel Debt shall never exceed the total of the amounts which are payable by it under its Obligations, Swap Obligations and Banking Services Obligations.

10.17.6. The Agent and the Holders of Secured Obligations agree that, to the extent the Agent irrevocably (*onaantastbaar*) receives any amount in payment of any Parallel Debt, it shall distribute such amount among the Holders of Secured Obligations that are creditors of the corresponding Obligations, Rate Management Obligations or Banking Services Obligations in accordance with the provisions of this Agreement. Upon irrevocable (*onaantastbaar*) receipt by the Agent of any amount in payment of the Parallel Debt of a Parallel Debt Obligor (the "**Received Amount**"), the corresponding Obligations, Rate Management Obligations or Banking Services Obligations of such Parallel Debt Obligor shall be reduced by amounts totaling an amount (the "**Deductible Amount**") equal to the Received Amount in the manner as if the Deductible Amount were received as a payment of the relevant Obligations, Rate Management Obligations or Banking Services Obligations on the date of receipt by the Agent of the Received Amount.

10.17.7. The parties hereto acknowledge and agree that, for purposes of a Dutch pledge, any resignation by the Agent is not effective until its rights under each Parallel Debt of a Parallel Debt Obligor is assigned to the successor Agent.

10.18. French Security. Each Lender, on behalf of itself and its Affiliates, hereby appoints the Agent to register, perform and enforce any security interest (*sûreté réelle*) granted by Actuant International Holdings, Inc., a Delaware corporation, or any other Loan Party under the laws of the Republic of France in order to secure the performance and payment of the Secured Obligations.

10.19. Syndication Agents; Documentation Agents. None of the Lenders identified in this Agreement as a Syndication Agent or Documentation Agent shall have any right, power, obligation, liability, responsibility or duty under this Agreement other than those applicable to all Lenders as such. Without limiting the foregoing, none of such Lenders shall have or be deemed to have a fiduciary relationship with any Lender. Each Lender hereby makes the same acknowledgments with respect to such Lenders as it makes with respect to the Agent in Section 10.11.

ARTICLE XI

SETOFF; RATABLE PAYMENTS; APPLICATION OF PROCEEDS

11.1. Setoff. In addition to, and without limitation of, any rights of the Lenders under applicable law, if any Borrower becomes insolvent, however evidenced, or any Default occurs, any and all deposits (including all account balances, whether provisional or final and whether or not collected or available) and any other Indebtedness at any time held or owing by any Lender or any Affiliate of any Lender to or for the credit or account of a Borrower may be offset and applied toward the payment of the Obligations owing to such Lender, whether or not the Obligations, or any part thereof, shall then be due (it being understood and agreed that deposits of any Foreign Subsidiary Borrower or Indebtedness held or owing by a Lender to or for the credit or account of any Foreign Subsidiary Borrower shall be offset by such Lender and applied only toward any Obligations incurred by or on behalf of a Foreign Subsidiary Borrower to that Lender).

11.2. Ratable Payments. If any Lender, whether by setoff or otherwise, has payment made to it upon its Outstanding Revolving Credit Exposure or its Term Loans (other than payments received pursuant to Section 3.1, 3.2, 3.4, 3.5 or 3.6 or as otherwise provided herein, it being understood and agreed that if a Borrower is entitled to deduct amounts from any sum payable to a Lender in respect of taxes by operation of Section 3.5 or 3.6 and is not required to pay the full amount deducted to such Lender in accordance with such Sections, such Lender shall not be entitled to the benefits of this Section 11.2 with respect to the amount so deducted) in a greater proportion than that received by any other Lender, such Lender agrees, promptly upon demand, to purchase a portion of the Aggregate Outstanding Revolving Credit Exposure and Term Loans held by the other Lenders so that after such purchase the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Revolving Loans or Term Loans, as the case may be, and participations in Facility LCs and Swing Line Loans. If any Lender, whether in connection with setoff or amounts which might be subject to setoff or otherwise, receives collateral or other protection for its Secured Obligations or such amounts which may be subject to setoff, such Lender agrees, promptly upon demand, to take such action necessary such that all Lenders share in the benefits of such collateral ratably in proportion to their respective Pro Rata Shares, Revolving Loan Pro Rata Shares and Term Loan Pro Rata Shares, as the case may be. In case any such payment is disturbed by legal process, or otherwise, appropriate further adjustments shall be made.

11.3. Application of Proceeds. Any proceeds of Collateral received by the Agent (i) not constituting a specific payment of principal, interest, fees or other sum payable under the Loan Documents (which shall be applied as specified by the Company) or (ii) after a Default has occurred and is continuing and the Agent so elects or the Required Lenders so direct, such funds shall be applied ratably first, to pay any fees, indemnities, or expense reimbursements including amounts then due to the Agent and the LC Issuer from any Loan Party (other than in connection with Rate Management Obligations and Banking Services Obligations), second, to pay accrued and unpaid interest and fees then due and payable on the Loans ratably, third, pro rata, to payment of the principal outstanding on Loans, the Banking Services Obligations constituting Secured Obligations and the net early termination payments and any other Rate Management Obligations then due and unpaid from the Company or its Subsidiaries to any of the Lenders or their Affiliates, pro rata among the Lenders and their Affiliates in accordance with the amount of such principal, such Banking Services Obligations and such net early termination payments and other Rate Management Obligations then due and unpaid owing to each of them, and fourth, to the payment of any other Secured Obligations (other than those listed above) due to the Agent or any Lender by the Company or any Subsidiary pro rata among those parties to whom such Secured Obligations are due in accordance with the amounts owing to each of them. Notwithstanding the foregoing, amounts received by any Loan Party shall not be applied to any Excluded Swap Obligations of such Loan Party. The Agent and the Lenders shall have the continuing and exclusive right to apply and reverse and reapply any and all such proceeds and payments to any portion of the Secured Obligations.

ARTICLE XII

BENEFIT OF AGREEMENT; ASSIGNMENTS; PARTICIPATIONS

12.1. Successors and Assigns. The terms and provisions of the Loan Documents shall be binding upon and inure to the benefit of the Borrowers and the Lenders and their respective successors and assigns permitted hereby, except that (i) no Borrower shall have the right to assign its rights or obligations under the Loan Documents without the prior written consent of each Lender, (ii) any assignment by any Lender must be made in compliance with Section 12.3, and (iii) any transfer by Participation must be made in compliance with Section 12.2. Any attempted assignment or transfer by any party not made in compliance with this Section 12.1 shall be null and void, unless such attempted assignment or transfer is treated as a participation in accordance with Section 12.3.2. The parties to this Agreement acknowledge that clause (ii) of this Section 12.1 relates only to absolute assignments and this Section 12.1 does not prohibit assignments creating security interests, including, without limitation, (x) any pledge or assignment by any Lender of all or any portion of its rights under this Agreement and any Note to a Federal Reserve Bank or (y) in the case of a Lender which is a Fund, any pledge or assignment of all or any portion of its rights under this Agreement and any Note to its trustee in support of its obligations to its trustee; *provided*, *however*, that no such pledge or assignment creating a security interest shall release the transferor Lender from its obligations hereunder unless and until the parties thereto have complied with the provisions of Section 12.3. The Agent may treat the Person which made any Loan or which holds any Note as the owner thereof for all purposes hereof unless and until such Person complies with Section 12.3; *provided, however*, that the Agent may in its discretion (but shall not be required to) follow instructions from the Person which made any Loan or which holds any Note to direct payments relating to such Loan or Note to another Person. Any assignee of the rights to any Loan or any Note agrees by acceptance of such assignment to be bound by all the terms and provisions of the Loan Documents. Any request, authority or consent of any Person, who at the time of making such request or giving such authority or consent is the owner of the rights to any Loan (whether or not a Note has been issued in evidence thereof), shall be conclusive and binding on any subsequent holder or assignee of the rights to such Loan.

12.2. Participations.

12.2.2. Permitted Participants; Effect. Any Lender may at any time sell to one or more banks or other entities other than an Ineligible Institution ("**Participants**") participating interests in any Outstanding Revolving Credit Exposure owing to such Lender, any Term Loans of such Lender, any Note held by such Lender, any Revolving Loan Commitment or any Term Loan Commitment of such Lender or any other interest of such Lender under the Loan Documents. In the event of any such sale by a Lender of participating interests to a Participant, such Lender's obligations under the Loan Documents shall remain unchanged, such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, such Lender shall remain the owner of its Outstanding Revolving Credit Exposure and/or Term Loans, as applicable, and the holder of any Note issued to it in evidence thereof for all purposes under the Loan Documents, all amounts payable by the Borrowers under this Agreement shall be determined as if such Lender had not sold such participating interests, and the Borrowers and the Agent shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under the Loan Documents.

12.2.3. Voting Rights. Each Lender shall retain the sole right to approve, without the consent of any Participant, any amendment, modification or waiver of any provision of

the Loan Documents other than any amendment, modification or waiver with respect to any Outstanding Revolving Credit Exposure, Term Loans, Revolving Loan Commitment, Term Loan Commitment or Facility LC in which such Participant has an interest which would require consent of the Lender from which such Participant purchased its participation under clauses (i) through (v) of Section 8.2.

12.2.4. Benefit of Certain Provisions. The Borrowers agree that each Participant shall be deemed to have the right of setoff provided in Section 11.1 in respect of its participating interest in amounts owing under the Loan Documents to the same extent as if the amount of its participating interest were owing directly to it as a Lender under the Loan Documents, *provided* that each Lender shall retain the right of setoff provided in Section 11.1 with respect to the amount of participating interests sold to each Participant. The Lenders agree to share with each Participant, and each Participant, by exercising the right of setoff provided in Section 11.1, agrees to share with each Lender, any amount received pursuant to the exercise of its right of setoff, such amounts to be shared in accordance with Section 11.2 as if each Participant were a Lender. The Borrowers further agree that each Participant shall be entitled to the benefits of Sections 3.1, 3.2, 3.4, 3.5, 3.6, 9.6 and 9.10 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 12.3, *provided* that (i) a Participant shall not be entitled to receive any greater payment under Section 3.1, 3.2, 3.5 or 3.6 than the Lender who sold the participating interest to such Participant would have received had it retained such interest for its own account, unless the sale of such interest to such Participant is made with the prior written consent of the Company, and (ii) any Participant not incorporated under the laws of the United States of America or any State thereof agrees to comply with the provisions of Section 3.5 to the same extent as if it were a Lender.

12.3. Assignments.

12.3.2. Permitted Assignments. Any Lender may at any time assign to one or more banks or other entities other than an Ineligible Institution ("**Purchasers**") all or any part of its rights and obligations under the Loan Documents subject to the following conditions:

(vi) Each such assignment shall be of a constant and not varying ratable or non-pro rata percentage (as between the Term Loan Facility and the Revolving Facility) of the assigning Lender's rights and obligations under the Loan Documents;

(vii) Such assignment shall be substantially in the form of Exhibit C or in such other form as may be agreed to by the parties thereto;

(viii) Each such assignment with respect to a Purchaser which is not a Lender or an Affiliate of a Lender or an Approved Fund shall either be in an amount equal to the entire applicable Revolving Loan Commitment and Outstanding Revolving Credit Exposure and/or Term Loan Commitment (if any) and Term Loans, as applicable, of the assigning Lender or (unless each of the Company and the Agent otherwise consents; *provided* that the consent of the Company shall not be required if a Default has occurred and is continuing) be in an aggregate amount not less than $5,000,000. The amount of the assignment shall be based on the Revolving Loan Commitment or Outstanding Revolving Credit Exposure (if the Revolving Loan Commitment has been terminated) and/or the outstanding Term Loan Commitment

(if any) or Term Loans subject to the assignment, determined as of the date of such assignment or as of the "Trade Date," if the "Trade Date" is specified in the assignment;

(ix) Except in the case of an assignment to an existing Lender that has advanced a Revolving Loan to each Dutch Borrower, the amount of such assignment with respect to a borrowing made to a Dutch Borrower shall always be at least €50,000 (or its equivalent in another Agreed Currency) unless an assignment is made to any Person which qualifies as a professional market party (*professionele markt partij*) under the Dutch Financial Supervision Act;

(x) The Purchaser (A) if it is a Non-U.S. Lender, shall have delivered tax certificates described in Section 3.5, which indicate that such Non-U.S. Lender is exempt from any withholding tax under the laws of the United States on payments by the Company in such jurisdiction, (B) in the case of an assignment of any Revolving Loan Commitment or Revolving Loan, shall have confirmed that it is exempt from any withholding tax under the laws of the Netherlands on payments by Dutch Borrowers (unless the Company has confirmed in writing its intention not to add any Dutch Borrowers to this Agreement under Section 2.24.1, or, following the addition of any Dutch Borrower under Such Section 2.24.1, all Dutch Borrowers have been removed from this Agreement pursuant to Section 2.24.2) and (C) in the case of an assignment of any Revolving Loan Commitment or Revolving Loan, shall have provided to the Agent for the onward transmission to the relevant UK Borrower, in respect of Loans made to a UK Borrower, a tax certificate in the form set forth in the Exhibit G attached hereto (unless all UK Borrowers have been removed from this Agreement pursuant to Section 2.24.2), except, in the case of clauses (A) and (B), to the extent the assigning Lender was entitled, at the time of the assignment, to receive additional amounts with respect to such withholding taxes pursuant to Section 3.5; and

(xi) So long as no Default shall have occurred and be continuing, no such assignment shall be made to any Person that is not capable of lending (A) Agreed Currencies to each Borrower and (B) each Type of Loan.

12.3.3. Consents. The consent of the Company shall be required prior to an assignment becoming effective unless the Purchaser is a Lender, an Affiliate of a Lender or an Approved Fund, *provided* that (i) the Company shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Agent within five (5) Business Days after having received notice thereof, and (ii) the consent of the Company shall not be required if a Default has occurred and is continuing. The consent of the Agent shall be required prior to an assignment becoming effective. Except for an assignment of Term Loans to a Lender, an Affiliate of a Lender or an Approved Fund, the consent of JPMorgan in its capacity as LC Issuer and Swing Line Lender shall be required prior to an assignment becoming effective. Any consent required under this Section 12.3.2 shall not be unreasonably withheld.

12.3.4. Effect; Effective Date. Upon (i) delivery to the Agent of an assignment, together with any consents required by Sections 12.3.1 and 12.3.2, and (ii) payment of a $3,500 fee to the Agent for processing such assignment (unless such fee is waived by the Agent), such assignment shall become effective on the effective date specified in such assignment. The assignment shall contain a representation by the Purchaser to the effect that none of the consideration used to make the purchase of the Revolving Loan Commitment

and Outstanding Revolving Credit Exposure and/or Term Loan Commitment (if any) and Term Loans under the applicable assignment agreement constitutes "plan assets" as defined under ERISA and that the rights and interests of the Purchaser in and under the Loan Documents will not be "plan assets" under ERISA. On and after the effective date of such assignment, such Purchaser shall for all purposes be a Lender party to this Agreement and any other Loan Document executed by or on behalf of the Lenders and shall have all the rights and obligations of a Lender under the Loan Documents, to the same extent as if it were an original party thereto, and the transferor Lender shall be released with respect to the Revolving Loan Commitment and Outstanding Revolving Credit Exposure and/or Term Loan Commitment (if any) and Term Loans assigned to such Purchaser without any further consent or action by the Borrowers, the Lenders or the Agent. In the case of an assignment covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a Lender hereunder but shall continue to be entitled to the benefits of, and subject to, those provisions of this Agreement and the other Loan Documents which survive payment of the Obligations and termination of the applicable agreement. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 12.3 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with Section 12.2. Upon the consummation of any assignment to a Purchaser pursuant to this Section 12.3.3, the transferor Lender, the Agent and the Borrowers shall, if the transferor Lender or the Purchaser desires that its Loans be evidenced by Notes, make appropriate arrangements so that new Notes or, as appropriate, replacement Notes are issued to such transferor Lender and new Notes or, as appropriate, replacement Notes, are issued to such Purchaser, in each case in principal amounts reflecting their respective Revolving Loan Commitments (or, if the Revolving Loan Commitments have terminated, the Revolving Loan Credit Exposure) or Term Loan Commitment (if any) and Term Loans, as appropriate, as adjusted pursuant to such assignment.

12.3.5. Register. The Agent, acting solely for this purpose as an agent of the Borrowers, shall maintain at one of its offices in Chicago, Illinois a copy of each assignment agreement delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Revolving Loan Commitments and Term Loan Commitments of, and principal amounts of (and interest on) the Loans owing to, each Lender, and participations of each Lender in Facility LCs, pursuant to the terms hereof from time to time (the "**Register**"). The entries in the Register shall be conclusive, and the Borrowers, the Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrowers at any reasonable time and from time to time upon reasonable prior notice.

12.4. Dissemination of Information. Each Borrower authorizes each Lender to disclose to any Participant or Purchaser or any other Person acquiring an interest in the Loan Documents by operation of law (each a "**Transferee**") and any prospective Transferee any and all information in such Lender's possession concerning the creditworthiness of such Borrower and its Subsidiaries; *provided* that each Transferee and prospective Transferee agrees to be bound by Section 9.11 of this Agreement.

12.5. Tax Treatment. If any interest in any Loan Document is transferred to any Transferee which is not incorporated under the laws of the United States or any State thereof, the transferor Lender shall cause

such Transferee, concurrently with the effectiveness of such transfer, to comply with the provisions of Section 3.5.4.

ARTICLE XIII

NOTICES

13.1. Notices; Electronic Communication.Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopier as follows:

(xv) if to any Borrower or any other Loan Party, to:

Actuant Corporation
N86 W12500 Westbrook Crossing
Menomonee Falls, WI 53051
Attention: Terry M. Braatz
Phone: (262) 293-1537
Fax: (262) 373-7497

(xvi) if to the Agent (except as set forth in clause (iii) below), to:

JPMorgan Chase Bank, N.A.
10 South Dearborn, 7th Floor
Mail Code: IL1-0011
Chicago, IL 60603-2003
Attn: Leonida Mischke
Phone: (312) 385-7055
Fax: (312) 385-7096

(xvii) if to the Agent in respect of a Borrowing Notice or Conversion/Continuation Notice for an Advance denominated in a Foreign Currency or to a Foreign Subsidiary Borrower, to:

J.P. Morgan Europe Limited
125 London Wall
London EC2Y 5AJ
Attn: Loan Agency
Phone: 44 (0) 207 777 2940
Fax: 44 (0) 207 777 2360/2085

(with a copy to the Agent at the address specified in clause (ii) above)

(xviii) if to JPMorgan in its capacity as LC Issuer, to:

J.P. Morgan Standby LC Service – Corporate Client Banking
131 South Dearborn, 5th Floor
Mail Code: IL1-0236
Chicago, IL 60603
Email: jpm.stanbylc.ccb@jpmorgan.com

(xix) if to any other Person in its capacity as LC Issuer, at the address specified by such Person to the Company and the Agent upon such Person becoming an LC Issuer hereunder; and

(xx) if to a Lender, to it at its address (or telecopier number) set forth in its administrative questionnaire furnished to the Agent.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by telecopier shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices delivered through electronic communications to the extent provided in paragraph (b) below, shall be effective as provided in said paragraph (b).

(b) Electronic Communications. Notices and other communications to the Lenders and the LC Issuer hereunder may be delivered or furnished by electronic communication (including e-mail and internet or intranet websites) pursuant to procedures approved by the Agent or as otherwise determined by the Agent, *provided* that the foregoing shall not apply to notices to any Lender or the LC Issuer pursuant to Article II if such Lender or the LC Issuer, as applicable, has notified the Agent that it is incapable of receiving notices under such Article by electronic communication. The Agent or the Company may, in its respective discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it or as it otherwise determines, *provided* that such determination or approval may be limited to particular notices or communications.

Unless the Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgment), *provided* that if such notice or other communication is not given during the normal business hours of the recipient, such notice or communication shall be deemed to have been given at the opening of business on the next Business Day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(c) Change of Address, Etc. Any party hereto may change its address or telecopier number for notices and other communications hereunder by notice to the other parties hereto, except that a Lender shall be required to give such notice only to the Company and the Agent.

(d) Electronic Systems.

(i) The Company agrees that Agent may, but shall not be obligated to, make Communications (as defined below) available to the LC Issuers and the other Lenders by posting the Communications on Debt Domain, Intralinks, Syndtrak, ClearPar or a substantially similar Electronic System.

(ii) Any Electronic System used by Agent is provided "as is" and "as available." The Agent Parties (as defined below) do not warrant the adequacy of such Electronic Systems and expressly disclaim liability for errors or omissions in the Communications. No warranty of any kind, express, implied or statutory, including, without limitation, any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or

freedom from viruses or other code defects, is made by any Agent Party in connection with the Communications or any Electronic System. In no event shall Agent or any of its Related Parties (collectively, the " **Agent Parties**") have any liability to any Loan Party, any Lender, any LC Issuer or any other Person or entity for damages of any kind, including, without limitation, direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of any Loan Party's or Agent's transmission of Communications through an Electronic System. "**Communications**" means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of any Loan Party pursuant to any Loan Document or the transactions contemplated therein which is distributed by Agent, any Lender or any LC Issuer by means of electronic communications pursuant to this Section, including through an Electronic System.

ARTICLE XIV

COUNTERPARTS; INTEGRATION; EFFECTIVENESS; ELECTRONIC EXECUTION; WAIVERS

14.1. Counterparts; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Subject to the qualifications provided in Article IV, this Agreement shall become effective when it shall have been executed by the Agent, and when the Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the parties hereto (including each Departing Lender), and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by telecopy shall be effective as delivery of a manually executed counterpart of this Agreement.

14.2. Electronic Execution of Assignments. The words "execution," "signed," "signature," and words of like import in any assignment and assumption agreement shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, or any other state laws based on the Uniform Electronic Transactions Act.

14.3. Waiver of Defaults under Existing Credit Agreement. As of the date hereof, each of the Lenders party to the Existing Credit Agreement and the Agent waives all "Defaults" and "Unmatured Defaults" that may have occurred prior to the date hereof under the Existing Credit Agreement and that have been previously disclosed to the Agent and such Lenders. The foregoing waiver in this Section 14.3 shall not (i) be deemed to constitute a waiver of any future breach of this Agreement or any other Loan Documents, or (ii) establish a custom or course of dealing among the Agent, the Lenders, the Borrowers and the Guarantors.

ARTICLE XV

CHOICE OF LAW; CONSENT TO JURISDICTION; WAIVER OF JURY TRIAL

15.1. **CHOICE OF LAW. THE LOAN DOCUMENTS (OTHER THAN THOSE CONTAINING A CONTRARY EXPRESS CHOICE OF LAW PROVISION) SHALL BE**

CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS (INCLUDING, WITHOUT LIMITATION, 735 ILCS SECTION 105/5-1 ET SEQ., BUT OTHERWISE WITHOUT REGARD TO THE CONFLICT OF LAWS PROVISIONS) OF THE STATE OF ILLINOIS, BUT GIVING EFFECT TO FEDERAL LAWS APPLICABLE TO NATIONAL BANKS.

15.2. **CONSENT TO JURISDICTION EACH BORROWER HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE EXCLUSIVE JURISDICTION OF ANY UNITED STATES FEDERAL OR ILLINOIS STATE COURT SITTING IN CHICAGO, ILLINOIS, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO ANY LOAN DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH ILLINOIS STATE OR, TO THE EXTENT PERMITTED BY LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THE AGENT, THE LC ISSUER OR ANY LENDER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST ANY LOAN PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.**

15.3. **WAIVER OF JURY TRIAL . EACH BORROWER, THE AGENT, THE LC ISSUER AND EACH LENDER HEREBY WAIVE TRIAL BY JURY IN ANY JUDICIAL PROCEEDING INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER (WHETHER SOUNDING IN TORT, CONTRACT OR OTHERWISE) IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH ANY LOAN DOCUMENT OR THE RELATIONSHIP ESTABLISHED THEREUNDER.**

15.4. **AGENT FOR SERVICE OF PROCESS . EACH FOREIGN SUBSIDIARY BORROWER HEREBY IRREVOCABLY APPOINTS THE COMPANY AS ITS AGENT FOR SERVICE OF PROCESS IN ANY PROCEEDING REFERRED TO IN SECTION 15.2 AND AGREES THAT SERVICE OF PROCESS IN ANY SUCH PROCEEDING MAY BE MADE BY MAILING OR DELIVERING A COPY THEREOF TO IT CARE OF COMPANY AT ITS ADDRESS FOR NOTICES SET FORTH IN ARTICLE XIII OF THIS AGREEMENT.**

ARTICLE XVI

GUARANTY

16.1. Company Guaranty. In order to induce the Lenders to extend credit to the Foreign Subsidiary Borrowers hereunder, and to induce the Lenders or their Affiliates to provide Banking Services to, and enter into Rate Management Transactions with, Subsidiaries of the Company, the Company hereby irrevocably and unconditionally guarantees, as a primary obligor and not merely as a surety, the payment when and as due of (i) the Obligations of such Foreign Subsidiary Borrowers and (ii) the Rate Management Obligations and Banking Services Obligations of any Subsidiary of the Company owing by such Subsidiaries to one or more Lenders or their respective Affiliates (the obligations described in clauses (i) and (ii) being referred to collectively in this Article XVI as the "**Guaranteed Subsidiary Obligations**"). The Company further agrees

that the due and punctual payment of any such Guaranteed Subsidiary Obligations may be extended or renewed, in whole or in part, without notice to or further assent from it, and that it will remain bound upon its guarantee hereunder notwithstanding any such extension or renewal of any such Guaranteed Subsidiary Obligations.

The Company waives presentment to, demand of payment from and protest to any Borrower or Subsidiary of any of the Guaranteed Subsidiary Obligations, and also waives notice of acceptance of its obligations and notice of protest for nonpayment. This guaranty is absolute and unconditional, and the obligations of the Company hereunder shall not be affected by (a) the failure of the Agent, the LC Issuer, any Lender or any Affiliate of a Lender to assert any claim or demand or to enforce any right or remedy against any Borrower under the provisions of this Agreement, any other Loan Document, any instrument, document or agreement evidencing Banking Services Obligations or Rate Management Obligations, or otherwise; (b) any extension or renewal of any of the Guaranteed Subsidiary Obligations; (c) any rescission, waiver, amendment or modification of, or release from, any of the terms or provisions of this Agreement, any other Loan Document, any instrument, document or agreement evidencing Banking Services Obligations or Rate Management Obligations or any other instrument, document or agreement; (d) any default, failure or delay, willful or otherwise, in the performance of any of the Guaranteed Subsidiary Obligations; or (e) any other act (other than payment of the Guaranteed Subsidiary Obligations), omission or delay to do any other act which may or might in any manner or to any extent vary the risk of the Company or otherwise operate as a discharge of a guarantor as a matter of law or equity or which would impair or eliminate any right of the Company to subrogation.

The Company further agrees that its agreement hereunder constitutes a guarantee of payment when due (whether or not any bankruptcy or similar proceeding shall have stayed the accrual or collection of any of the Guaranteed Subsidiary Obligations or operated as a discharge thereof) and not merely of collection, and waives any right to require that any resort be had by the Agent, the LC Issuer, any Lender or any Affiliate of a Lender to any balance of any deposit account or credit on the books of the Agent, the LC Issuer, any Lender or any Affiliate of a Lender in favor of any Borrower or any other Person.

The obligations of the Company hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason (other than payment of the Guaranteed Subsidiary Obligations), and shall not be subject to any defense or set-off, counterclaim, recoupment or termination whatsoever, by reason of the invalidity, illegality or unenforceability of any of the Guaranteed Subsidiary Obligations, any impossibility in the performance of any of the Guaranteed Subsidiary Obligations or otherwise.

The Company further agrees that its obligations hereunder shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of any Guaranteed Subsidiary Obligation is rescinded or must otherwise be restored by the Agent, the LC Issuer, any Lender or any Affiliate of a Lender upon the bankruptcy or reorganization of any Borrower, any other Subsidiary or otherwise.

In furtherance of the foregoing and not in limitation of any other right which the Agent, the LC Issuer, any Lender or any Affiliate of a Lender may have at law or in equity against the Company by virtue hereof, upon the failure of any Foreign Subsidiary Borrower or any Subsidiary to pay any Guaranteed Subsidiary Obligation when and as the same shall become due, whether at maturity, by acceleration, after notice of prepayment or otherwise, the Company hereby promises to and will, upon receipt of written demand by the Agent, forthwith pay, or cause to be paid, to the Agent, in cash an amount equal to the unpaid principal amount of such Guaranteed Subsidiary Obligations then due, together with accrued and unpaid interest thereon. The Company further agrees that if payment in respect of any Guaranteed Subsidiary Obligation shall be due in a currency other than Dollars and/or at a place of payment other than at the address of the

Agent specified in Article XIII and if, by reason of any adoption of, or change in, any law or regulation, disruption of currency or foreign exchange markets, war or civil disturbance or other event, payment of such Guaranteed Subsidiary Obligation in such currency or at such place of payment shall be impossible or, in the reasonable judgment of the Agent, disadvantageous to the Agent, the LC Issuer, any Lender or any Affiliate of a Lender, in any material respect, then, at the election of the Agent, the Company shall make payment of such Guaranteed Subsidiary Obligation in Dollars (based upon the applicable Exchange Rate in effect on the date of payment) and/or at the address of the Agent specified in Article XIII, and, as a separate and independent obligation, shall indemnify the Agent, the LC Issuer and each Lender (or its Affiliate) against any losses or reasonable out-of-pocket expenses that it shall sustain as a result of such alternative payment.

Upon payment by the Company of any sums as provided above, all rights of the Company against any Foreign Subsidiary Borrower or any Subsidiary arising as a result thereof by way of right of subrogation or otherwise shall in all respects be subordinated and junior in right of payment to the prior indefeasible payment in full in cash of all the Obligations and the termination of this Agreement in accordance with Section 2.7(c).

Nothing shall discharge or satisfy the liability of the Company hereunder except the full performance and payment of the Obligations in accordance with Section 2.7(c).

16.2. Foreign Subsidiary Borrower Guaranty. On the date a Foreign Subsidiary becomes a Foreign Subsidiary Borrower hereunder, whether on the Closing Date or pursuant to Section 2.24., (i) such Foreign Subsidiary shall, to the extent permitted by applicable law, execute and deliver in favor of the Agent, for the benefit of the Lenders, a guaranty of payment of the Obligations of each other Foreign Subsidiary Borrower and (ii) each other Borrower shall, to the extent permitted by applicable law, execute and deliver a guaranty (or, as applicable, a reaffirmation of guaranty) of payment of the Obligations of such Foreign Subsidiary Borrower, in each case, in form and substance reasonably satisfactory to the Agent, together with such supporting documentation, including authorizing resolutions and/or opinions of counsel, as the Agent may reasonably request. Notwithstanding the foregoing, no Dutch Borrower shall be liable under such Guaranty to the extent that, if it were so liable, its entry into such Guaranty would violate sections 2:98c or 2:207 of the Dutch Civil Code (*Burgerlijk Wetboek*).

16.3. Limitation on Obligations of Foreign Subsidiary Borrowers. Notwithstanding anything contained in this Agreement to the contrary, no Foreign Subsidiary Borrower shall be liable hereunder for any of the Loans made to, or any other Obligation incurred solely by or on behalf of, the Company or any other Loan Party which is a Domestic Subsidiary.

16.4. Keepwell. The Company hereby absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by each other Loan Party to honor all of its obligations under the Loan Documents in respect of Specified Swap Obligations. The obligations of the Company under this Section 16.4 shall remain in full force and effect until a discharge of the Guaranteed Obligations (as defined in the applicable Subsidiary Guaranty) in accordance with the terms hereof and the other Loan Documents. The Company intends that this Section 16.4 constitute, and this Section 16.4 shall be deemed to constitute, a "keepwell, support, or other agreement" for the benefit of each other Loan Party for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the Company, the Borrowers, the Lenders, the LC Issuer and the Agent have executed this Agreement as of the date first above written.

ACTUANT CORPORATION,
as the Company and as a Borrower

By: /s/ Terry M. Braatz
Title: Treasurer

ACTUANT LIMITED,
as a Borrower

By: /s/ Brian Kobylinski
Title: Director

ACTUANT FINANCE LIMITED,
as a Borrower

By: /s/ Brian Kobylinski
Title: Director

JPMORGAN CHASE BANK, N.A.
as a Lender, as LC Issuer and as Agent

By: /s/ Richard D. Barritt
Title: Associate

BANK OF AMERICA, N.A.,
as a Lender

By: /s/ Marc Sanchez
Title: Vice President

WELLS FARGO BANK, N.A.,
as a Lender

By: /s/ Daniel R. Van Aken
Title: Director

U.S. BANK NATIONAL ASSOCIATION,
as a Lender

By: /s/ Caroline V. Krider
Title: Senior Vice President

KEYBANK NATIONAL ASSOCIATION,
as a Lender

By: /s/ Brian P. Fox
Title: Vice President

BMO HARRIS BANK N.A.,
as a Lender

By: /s/ Ronald J. Carey
Title: Senior Vice President

SUNTRUST BANK, N.A.,
as a Lender

By: /s/ Johnetta Bush
Title: Vice President

RBS CITIZENS, N.A.,
as a Lender

By: /s/ Jeffrey P. Huening
Title: Vice President

PNC BANK, NATIONAL ASSOCIATION
as a Lender

By: /s/ Henry Hissrich
Title: Vice President

ROYAL BANK OF CANADA,
as a Lender

By: /s/ James Disher
Title: Authorized Signatory

BRANCH BANKING AND TRUST COMPANY, as a Lender

By: /s/ Kurt W. Anstaett
Title: Senior Vice President

THE NORTHERN TRUST COMPANY,
as a Lender

By: /s/ Pritha Majumder
Title: 2nd Vice President

ASSOCIATED BANK, N.A.,
as a Lender

By: /s/ Derek Smith
Title: Vice President

The undersigned Departing Lender hereby acknowledges and agrees that, from and after the Closing Date, it is no longer a party to the Existing Credit Agreement

MIZUHO BANK, LTD.
(formerly known as MIZUHO CORPORATE BANK, LTD.)
as a Lender

By: /s/ Atsushi Okuda
Title: Deputy General Manager

CRÉDIT INDUSTRIEL ET COMMERCIAL,
as a Lender

By: /s/ Brian O'Leary
Title: Managing Director

By: /s/ Marcus Edward
Title: Managing Director

LAFAYETTE CLO I LTD.,
as a Lender

By: /s/ Brian O'Leary
Title: Managing Director

By: /s/ Marcus Edward
Title: Managing Director

COMMITMENT SCHEDULE

Lender	Revolving Loan Commitments	Initial Term Loan Commitments	Total Commitments
JPMorgan Chase Bank, N.A.	$64,285,714.30	$9,642,857.14	$73,928,571.44
Bank of America, N.A.	$64,285,714.30	$9,642,857.14	$73,928,571.44
Wells Fargo Bank, N.A.	$64,285,714.30	$9,642,857.14	$73,928,571.44
U.S. Bank National Association	$64,285,714.30	$9,642,857.14	$73,928,571.44
KeyBank National Association	$55,714,285.76	$8,357,142.86	$64,071,428.62
BMO Harris Bank N.A.	$55,714,285.76	$8,357,142.86	$64,071,428.62
SunTrust Bank, N.A.	$40,035,983.47	$6,005,397.53	$46,041,381.00
RBS Citizens, N.A.	$40,035,983.47	$6,005,397.53	$46,041,381.00
PNC Bank, National Association	$40,035,983.47	$6,005,397.53	$46,041,381.00
Royal Bank of Canada	$37,714,286.09	5,657.142.91	$43,371,429.00
Branch Banking and Trust Company	$26,086,956.52	$3,913,043.48	$30,000,000.00
The Northern Trust Company	$26,086,956.52	$3,913,043.48	$30,000,000.00
Associated Bank, N.A.	$21,432,421.74	$3,214,863.26	$24,647,285.00
Total Allocations	**$600,000,000.00**	**$90,000,000.00**	**$690,000,000.00**

PRICING SCHEDULE

Applicable Margin	Level I Status	Level II Status	Level III Status	Level IV Status	Level V Status	Level VI Status	Level VII Status
Eurocurrency Rate	*1.00%*	*1.25%*	*1.50%*	*1.75%*	*2.00%*	*2.25%*	*2.50%*
ABR	*0.00%*	*0.25%*	*0.50%*	*0.75%*	*1.00%*	*1.25%*	*1.50%*

Applicable Fee Rate	Level I Status	Level II Status	Level III Status	Level IV Status	Level V Status	Level VI Status	Level VII Status
Commitment Fee	*0.15%*	*0.175%*	*0.20%*	*0.25%*	*0.30%*	*0.35%*	*0.40%*

For the purposes of this Schedule, the following terms have the following meanings, subject to the final paragraph of this Schedule:

"Financials" means the annual or quarterly financial statements of the Company delivered pursuant to Section 6.1(i) or (ii).

"Level I Status" exists at any date if, as of the last day of the fiscal quarter of the Company referred to in the most recent Financials, the Pricing Leverage Ratio is less than 0.75 to 1.00.

"Level II Status" exists at any date if, as of the last day of the fiscal quarter of the Company referred to in the most recent Financials, (i) the Company has not qualified for Level I Status and (ii) the Pricing Leverage Ratio is less than 1.25 to 1.00.

"Level III Status" exists at any date if, as of the last day of the fiscal quarter of the Company referred to in the most recent Financials, (i) the Company has not qualified for Level I Status or Level II Status and (ii) the Pricing Leverage Ratio is less than 1.75 to 1.00.

"Level IV Status" exists at any date if, as of the last day of the fiscal quarter of the Company referred to in the most recent Financials, (i) the Company has not qualified for Level I Status, Level II Status or Level III Status and (ii) the Pricing Leverage Ratio is less than 2.25 to 1.00.

"Level V Status" exists at any date if, as of the last day of the fiscal quarter of the Company referred to in the most recent Financials, (i) the Company has not qualified for Level I Status, Level II Status, Level III Status or Level IV Status and (ii) the Pricing Leverage Ratio is less than 2.75 to 1.00.

"Level VI Status" exists at any date if, as of the last day of the fiscal quarter of the Company referred to in the most recent Financials, (i) the Company has not qualified for Level I Status, Level II Status, Level III Status, Level IV Status or Level V Status and (ii) the Pricing Leverage Ratio is less than 3.25 to 1.00.

"Level VII Status" exists at any date if, as of the last day of the fiscal quarter of the Company referred to in the most recent Financials the Company has not qualified for Level I Status, Level II Status, Level III Status, Level IV Status, Level V Status or Level VI Status.

"Pricing Leverage Ratio" means at any date of determination, the ratio of Consolidated Indebtedness on such date to Consolidated EBITDA for the period of four consecutive fiscal quarters of the Company most recently ended as of such date. As of the end of any fiscal quarter, the Company may use Net Consolidated Indebtedness instead of Consolidated Indebtedness to determine the Pricing Leverage Ratio; *provided* that as of such date of determination no Loans (other than Term Loans) are outstanding under this Agreement. For purposes of this definition, if at any time the Pricing Leverage Ratio is being determined the Company or any Subsidiary shall have completed a Permitted Acquisition or an Asset Sale since the beginning of the relevant four fiscal quarter period, the Pricing Leverage Ratio shall be determined on a pro forma basis reasonably acceptable to the Agent after giving effect to such Acquisition or Asset Sale, as if such Permitted Acquisition or Asset Sale, any related incurrence or repayment of Indebtedness, had occurred at the beginning of such period.

"Status" means Level I Status, Level II Status, Level III Status, Level IV Status, Level V Status, Level VI Status or Level VII Status.

For the period from the Closing Date until the receipt of the Company's Financials for the quarter ending August 31, 2013, the Applicable Margin and Applicable Fee Rate shall be determined in accordance with the foregoing table based on the Company's Status as reflected by a pro forma computation of the Pricing Leverage Ratio as of the most recent fiscal quarter ending prior to the Closing Date, giving effect to all obligations incurred on the Closing Date, as set forth in the Opening Pro Forma Compliance Certificate. Thereafter, the Applicable Margin and Applicable Fee Rate shall be determined in accordance with the foregoing table based on the Company's Status as reflected in the then most recent Financials. Adjustments, if any, to the Applicable Margin or Applicable Fee Rate shall be effective five Business Days after the Agent has received the applicable Financials. If the Company fails to deliver the Financials to the Agent at the time required pursuant to Section 6.1, then the Applicable Margin and Applicable Fee Rate shall be the highest Applicable Margin and Applicable Fee Rate set forth in the foregoing table until five days after such Financials are so delivered.

EXHIBIT A

FORM OF OPINIONS OF LOAN PARTIES' COUNSEL

See attached.

EXHIBIT B

COMPLIANCE CERTIFICATE

Dated as of [_____]

To: The Lenders party to the
Credit Agreement described
below

This Compliance Certificate is furnished pursuant to that certain Fourth Amended and Restated Credit Agreement dated as of July 18, 2013 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement") among Actuant Corporation, a Wisconsin corporation (the "Company"), the Foreign Subsidiary Borrowers party thereto, the lenders party thereto and JPMorgan Chase Bank, N.A., as Agent for the Lenders and as LC Issuer. Unless otherwise defined herein, capitalized terms used in this Compliance Certificate have the meanings ascribed thereto in the Credit Agreement.

THE UNDERSIGNED HEREBY CERTIFIES THAT:

1. I am the duly elected [Chief Financial Officer] [Treasurer] [Controller] [principal accounting officer] of the Company;

2. I have reviewed the terms of the Credit Agreement and I have made, or have caused to be made under my supervision, a detailed review of the transactions and conditions of the Company and its Subsidiaries during the accounting period covered by the attached financial statements (the fiscal quarter ended on the last day of the accounting period covered by the attached financial statements is referred to below as the "Fiscal Quarter");

3. The examinations described in paragraph 2 did not disclose, and I have no knowledge of, the existence of any condition or event which constitutes a Default or Unmatured Default during or at the end of the accounting period covered by the attached financial statements or as of the date of this Certificate, except as set forth below;

4. Schedule I [and Schedule II] attached hereto set[s] forth financial data and computations evidencing the Company's compliance with certain covenants of the Credit Agreement, all of which data and computations are true, complete and correct; and

5. Annex A attached hereto sets forth the various reports and deliveries which are required at this time under the Credit Agreement and the other Loan Documents and the status of compliance (including, without limitation, any updates to the Exhibits to the Security Agreement as required by Section 4.12 thereof).

Described below are the exceptions, if any, to paragraph 3 by listing, in detail, the nature of the condition or event, the period during which it has existed and the action which the Company has taken, is taking, or proposes to take with respect to each such condition or event:

_____

_____

_____

The foregoing certifications, together with the computations set forth in Schedule I [and Schedule II] hereto and the financial statements delivered with this Compliance Certificate in support hereof, are made and delivered this ____ day of _____, 20___.

ACTUANT CORPORATION

By:_____
Name:
Title:

SCHEDULE I TO COMPLIANCE CERTIFICATE

Consolidated EBITDA	
+/– Consolidated Net Income (Loss)	$_____
+	+_____
+	+_____
+	+_____
+	+_____
+	+_____
+	+_____
+	+_____
+	+_____
+	+ _____
+	+_____
+	+_____
+	+_____
- extraordinary gains	- _____
- gains from sales of assets other than inventory sold in the ordinary course of business	- _____
Consolidated EBITDA	=_____

A. LEVERAGE RATIO (Section 6.19.1)

Calculate the Leverage Ratio for the four-fiscal quarter period ended on the last day of the Fiscal Quarter, by dividing Consolidated Indebtedness by Consolidated EBITDA. If a Permitted Acquisition or Asset Sale has occurred during the applicable four-quarter period, calculate the Leverage Ratio on a pro forma basis reasonably acceptable to the Agent (describe in reasonable detail on Schedule II hereto pro forma

adjustments for Permitted Acquisitions and Asset Sales, if any, during such four-quarter period).

Net Consolidated Indebtedness may be used instead of Consolidated Indebtedness to calculate the Leverage Ratio if each of the following conditions are satisfied: (1) the Company did not use Net Consolidated Indebtedness instead of Consolidated Indebtedness to calculate the Leverage Ratio at the end of the immediately preceding Fiscal Quarter, (2) the current Fiscal Quarter is not a Holiday Quarter, and (3) there were no Loans outstanding (other than Term Loans) under the Credit Agreement as of the calculation date of this Compliance Certificate.

Consolidated Indebtedness as of the last day of the Fiscal Quarter	$_____
Consolidated EBITDA	$_____
(a) Actual Leverage Ratio for Fiscal Quarter	____ to 1.00
(b) Maximum permitted Leverage Ratio for Fiscal Quarter	[[3.75 to 1.00] [4.25 to 1.00 due to Specified Acquisition completed on _____, 20__]] [[3.50 to 1.00] [4.00 to 1.00 due to Specified Acquisition completed on _____, 20__]]

B. INTEREST COVERAGE RATIO (Section 6.19.2)

Calculate the Interest Coverage Ratio for the four-fiscal quarter period ended on the last day of the Fiscal Quarter, as follows:

Consolidated EBITDA	$ _____
Consolidated Interest Expense	$_____
(a) Actual Interest Coverage Ratio for Fiscal Quarter	____ to 1.00
(b) Minimum Permitted Interest Coverage Ratio	3.50 to 1.00

C. MATERIAL DOMESTIC SUBSIDIARY AND MATERIAL FOREIGN SUBSIDIARY CLASSIFICATION (DEFINITIONS, SECTION 6.21(a), (b))

1. 10.0% of the Consolidated Assets of the Company and its Subsidiaries as of the last day of the Fiscal Quarter $_____

2. 10.0% of the Consolidated Operating Income of the Company and its Subsidiaries for the Fiscal Quarter $_____

3. Material Domestic Subsidiaries

(a) Identify on Exhibit A hereto each Domestic Subsidiary of the Company (i) that directly holds any Equity Interest in any Material Foreign Subsidiary as of the end of the Fiscal Quarter, (ii) directly or indirectly holds any Equity Interest in a Foreign Subsidiary Borrower or (iii) on a consolidated basis with its Subsidiaries, (A) had assets as of the last day of the Fiscal Quarter (other than Equity Interests in Material Foreign Subsidiaries) that exceeded the amount set forth in Item C.1 or (B) was responsible for a portion of the Consolidated Operating Income of the Company and its Subsidiaries for the Fiscal Quarter in excess of the amount set forth in Item C.2 (excluding, with respect to any of the foregoing clauses (i), (ii) and (iii), any Domestic Subsidiary that is a special purpose Subsidiary created to engage solely in a Qualified Receivables Transaction) and (b) indicate on Exhibit A hereto whether each such Domestic Subsidiary is a Domestic Subsidiary Guarantor.

4. Material Foreign Subsidiaries

(a) Identify on Exhibit A hereto each Foreign Subsidiary of the Company any Equity Interest of which are held by the Company or any Domestic Subsidiary and that, on a consolidated basis with its Subsidiaries, (i) had assets as of the last day of the Fiscal Quarter that exceeded the amount set forth Item C.1 or (ii) was responsible for a portion of the Consolidated Operating Income of the Company and its Subsidiaries for the Fiscal Quarter in excess of the amount set forth in Item C.2 and (b) indicate on Exhibit A hereto whether any Equity Interests in any such Foreign Subsidiary have not been pledged to the Agent as and to the extent required pursuant to Section 6.21(b).

D. ADDITIONAL GUARANTORS AND PLEDGED FOREIGN SUBSIDIARIES (SECTION 6.21(c))

(i) 85% of Company and Domestic Subsidiaries.

1. 85.0% of the aggregate assets of the Company and its Domestic Subsidiaries (other than Equity Interests in Subsidiaries) as of the last day of the Fiscal Quarter $_____

2. The aggregate assets (other than Equity Interests in Subsidiaries) of the Company and the Domestic Subsidiary Guarantors as of the last day of the Fiscal Quarter $_____

3. Does Item D.i.2 exceed Item D.i.1? Yes/No

4. 85.0% of the aggregate operating income of the Company and its Domestic Subsidiaries for the Fiscal Quarter $_____

5. The operating income of the Company and the Domestic Subsidiary Guarantors for the Fiscal Quarter $_____

6. Does Item D.i.5 exceed Item D.i.4? Yes/No

(ii) Additional Guarantors and Pledged Subsidiaries.

1. If the answer indicated in either of Item D.i.3 or D.i.6 is "No", indicate on Exhibit B hereto additional Domestic Subsidiaries that shall become Domestic Subsidiary Guarantors in accordance with Section 6.21(a) or 6.21(c) and/or additional Foreign Subsidiaries the Equity Interests of which shall be pledged in accordance with Section 6.21(b), in each case such that, after giving effect to such additional Guarantors and Collateral (and the compliance of any additional Domestic Subsidiaries with the terms of Sections 6.21(a) and the pledge of Equity Interests of any additional Foreign Subsidiaries pursuant to Section 6.21(b)), the calculations set forth in this Section D would result in the answers set forth in such Items being "Yes".

2. Provide on Exhibit B hereto detailed calculations demonstrating, as applicable, either (i) that the answer indicated in both Items D.i.3 and D.i.6 is "Yes" or (ii) compliance with the foregoing Item D.ii.1.

EXHIBIT A
TO
SCHEDULE 1 of COMPLIANCE CERTIFICATE

Material Domestic Subsidiaries

Material Domestic Subsidiaries	Guarantor (Y/N)
_____	_____
_____	_____
_____	_____
_____	_____

Material Foreign Subsidiaries

Material Foreign Subsidiary	Equity Interests Pledged (Y/N)
_____	_____
_____	_____
_____	_____
_____	

EXHIBIT B
TO
SCHEDULE 1 of COMPLIANCE CERTIFICATE

[Additional Guarantors]

[Additional Pledged Foreign Subsidiaries]

Calculations of Compliance with Section 6.21(c)

SCHEDULE II TO COMPLIANCE CERTIFICATE

[Add detail as applicable]

ANNEX A TO COMPLIANCE CERTIFICATE

Reports and Deliveries Currently Due

EXHIBIT C

ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption (the "Assignment and Assumption") is dated as of the Effective Date set forth below and is entered into by and between [*Insert name of Assignor*] (the "Assignor") and [*Insert name of Assignee*] (the "Assignee"). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, the "Credit Agreement"), receipt of a copy of which is hereby acknowledged by the Assignee. The Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Agent as contemplated below, the interest in and to all of the Assignor's rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto that represents the amount and percentage interest identified below of all of the Assignor's outstanding rights and obligations under the respective facilities identified below (including without limitation any letters of credit, guaranties and swingline loans included in such facilities and, to the extent permitted to be assigned under applicable law, all claims (including without limitation contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity), suits, causes of action and any other right of the Assignor against any Person whether known or unknown arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby) (the "Assigned Interest"). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1. Assignor: _____

2. Assignee: _____, [an Affiliate/Approved Fund of [*identify Lender*]]

3. Company: Actuant Corporation, a Wisconsin corporation

4. Agent: JPMorgan Chase Bank, N.A., as the Agent under the Credit Agreement

5. Credit Agreement: Fourth Amended and Restated Credit Agreement dated as of July 18, 2013 among Actuant Corporation, a Wisconsin corporation, the Foreign Subsidiary Borrowers party thereto, the Lenders party thereto, and JPMorgan Chase Bank, N.A., as Agent.

6. Assigned Interest:

Facility Assigned (Revolving/Term)	Aggregate Amount of Commitment/Loans for all Lenders*	Amount of Commitment/Loans Assigned*	Percentage Assigned of Commitment/Loans
	$	$	_____%
	$	$	_____%
	$	$	_____%

7. Trade Date: _____

Effective Date: _____, 20__ [TO BE INSERTED BY AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER BY THE AGENT.]

The terms set forth in this Assignment and Assumption are hereby agreed to

ASSIGNOR
[NAME OF ASSIGNOR]

By:_____
Title:

ASSIGNEE
[NAME OF ASSIGNEE]

By:_____
Title:

Consented to and Accepted:

JPMORGAN CHASE BANK, N.A.,
as Agent [, as LC Issuer and as Swing Line Lender]

By:_____
Title:

ANNEX 1
TERMS AND CONDITIONS FOR
ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1 Assignor. The Assignor represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby. Neither the Assignor nor any of its officers, directors, employees, agents or attorneys shall be responsible for (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency, perfection, priority, collectibility, or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Company, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document, (iv) the performance or observance by the Company, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Documents, (v) inspecting any of the property, books or records of the Company, any other Borrower or any guarantor, or (vi) any mistake, error of judgment, or action taken or omitted to be taken in connection with the Loans or the Loan Documents.

1.2. Assignee. The Assignee (a) represents and warrants and agrees that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iii) its payment instructions and notice instructions are as set forth in Schedule 1 to this Assignment and Assumption, (iv) none of the funds, monies, assets or other consideration being used to make the purchase and assumption hereunder are "plan assets" as defined under ERISA and that its rights, benefits and interests in and under the Loan Documents will not be "plan assets" under ERISA, (v) it shall indemnify and hold the Assignor harmless against all losses, costs and expenses (including, without limitation, reasonable attorneys' fees) and liabilities incurred by the Assignor in connection with or arising in any manner from the Assignee's non-performance of the obligations assumed under this Assignment and Assumption, (vi) it has received a copy of the Credit Agreement, together with copies of financial statements and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Agent or any other Lender, and (vii) attached as Schedule 1 to this Assignment and Assumption is any documentation required to be delivered by the Assignee with respect to its tax status pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee (including, in the case of any assignment of a Revolving Loan Commitment or Revolving Loans, a duly completed tax certificate in the form of Exhibit G to the Credit Agreement (*Form of UK Tax Certificate*)) and (b) agrees that (i) it will, independently and without reliance on the Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. The Assignee shall pay the Assignor, on the Effective Date, the amount agreed to by the Assignor and the Assignee. From and after the Effective Date, the Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, Reimbursement

Obligations, fees and other amounts) to the Assignor for amounts which have accrued to but excluding the Effective Date and to the Assignee for amounts which have accrued from and after the Effective Date.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of Illinois.

EXHIBIT D-1

FORM OF INCREASING LENDER SUPPLEMENT

INCREASING LENDER SUPPLEMENT, dated _____, 20___ (this " Supplement"), by and among each of the signatories hereto, to the Fourth Amended and Restated Credit Agreement, dated as of July 18, 2013 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Actuant Corporation, a Wisconsin corporation (the " Company"), the Foreign Subsidiary Borrowers party thereto, the lenders party thereto and JPMorgan Chase Bank, N.A., as Agent for the Lenders and as LC Issuer.

W I T N E S S E T H

WHEREAS, pursuant to Section 2.5(c) of the Credit Agreement, the Company has the right, subject to the terms and conditions thereof, to effectuate from time to time an increase in the Aggregate Revolving Loan Commitment and/or one or more tranches of Incremental Term Loans under the Credit Agreement by requesting one or more existing Lenders to increase the amount of its Revolving Loan Commitment and/or to participate in such a tranche;

WHEREAS, the Company has given notice to the Agent of its intention to [increase the Aggregate Revolving Loan Commitment] [and] [enter into a tranche of Incremental Term Loans] pursuant to such Section 2.5(c); and

WHEREAS, pursuant to Section 2.5(c) of the Credit Agreement, the undersigned Increasing Lender now desires to [increase the amount of its Revolving Loan Commitment] [and] [participate in a tranche of Incremental Term Loans] under the Credit Agreement by executing and delivering to the Company and the Agent this Supplement;

NOW, THEREFORE, each of the parties hereto hereby agrees as follows:

1. The undersigned Increasing Lender agrees, subject to the terms and conditions of the Credit Agreement, that on the date of this Supplement it shall [have its Revolving Loan Commitment increased by $[_____], thereby making the aggregate amount of its total Revolving Loan Commitments equal to $[_____]] [and] [participate in a tranche of Incremental Term Loans with a commitment amount equal to $[_____] with respect thereto].

2. The Company hereby represents and warrants that no Default or Unmatured Default has occurred and is continuing on and as of the date hereof.

3. Terms defined in the Credit Agreement shall have their defined meanings when used herein.

4. This Supplement shall be governed by, and construed in accordance with, the laws of the State of Illinois.

5. This Supplement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same document.

IN WITNESS WHEREOF, each of the undersigned has caused this Supplement to be executed and delivered by a duly authorized officer on the date first above written.

[INSERT NAME OF INCREASING LENDER]

By:_____
Name:
Title:

Accepted and agreed to as of the date first written above:

ACTUANT CORPORATION

By:_____
Name:
Title:

Acknowledged as of the date first written above:

JPMORGAN CHASE BANK, N.A.,
as Agent

By:_____
Name:
Title:

EXHIBIT D-2

FORM OF AUGMENTING LENDER SUPPLEMENT

AUGMENTING LENDER SUPPLEMENT, dated _____, 20___ (this "Supplement"), to the Fourth Amended and Restated Credit Agreement, dated as of July 18, 2013 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Actuant Corporation, a Wisconsin corporation (the "Company"), the Foreign Subsidiary Borrowers party thereto, the lenders party thereto and JPMorgan Chase Bank, N.A., as Agent for the Lenders and as LC Issuer.

W I T N E S S E T H

WHEREAS, the Credit Agreement provides in Section 2.5(c) thereof that any bank, financial institution or other entity may [extend Revolving Loan Commitments] [and] [participate in tranches of Incremental Term Loans] under the Credit Agreement subject to the approval of the Company and the Agent, by executing and delivering to the Company and the Agent a supplement to the Credit Agreement in substantially the form of this Supplement; and

WHEREAS, the undersigned Augmenting Lender was not an original party to the Credit Agreement but now desires to become a party thereto;

NOW, THEREFORE, each of the parties hereto hereby agrees as follows:

1. The undersigned Augmenting Lender agrees to be bound by the provisions of the Credit Agreement and agrees that it shall, on the date of this Supplement, become a Lender for all purposes of the Credit Agreement to the same extent as if originally a party thereto, with a [Revolving Loan Commitment with respect to Revolving Loans of $[_____]] [and] [a commitment with respect to Incremental Term Loans of $[_____]].

2. The undersigned Augmenting Lender (a) represents and warrants and agrees that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Supplement and to become a Lender under the Credit Agreement, (ii) its payment instructions and notice instructions are as set forth in Schedule 1 to this Supplement, (iii) none of the funds, monies, assets or other consideration used to make Loans will be "plan assets" as defined under ERISA and that its rights, benefits and interests in and under the Loan Documents will not be "plan assets" under ERISA, (iv) it has received a copy of the Credit Agreement, together with copies of financial statements and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Supplement and to extend Revolving Loan Commitments and make Loans on the basis of which it has made such analysis and decision independently and without reliance on the Agent or any other Lender, and (v) attached as Schedule 1 to this Supplement is any documentation required to be delivered by the Augmenting Lender with respect to its tax status pursuant to the terms of the Credit Agreement, duly completed and executed by the Augmenting Lender (including, in the case of any Revolving Loan Commitment to make Revolving Loans, a duly completed tax certificate in the form of Exhibit G to the Credit Agreement (*Form of UK Tax Certificate*)) and (b) agrees that (i) it will, independently and without reliance on the Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender, and (iii) appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Credit Agreement or any other instrument or document furnished

pursuant hereto or thereto as are delegated to the Agent by the terms thereof, together with such powers as are incidental thereto.

3. The undersigned's address for notices for the purposes of the Credit Agreement is as follows:

[_____]

4. The Company hereby represents and warrants that no Default or Unmatured Default has occurred and is continuing on and as of the date hereof.

5. Terms defined in the Credit Agreement shall have their defined meanings when used herein.

6. This Supplement shall be governed by, and construed in accordance with, the laws of the State of Illinois.

7. This Supplement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same document.

[remainder of this page intentionally left blank]

IN WITNESS WHEREOF, each of the undersigned has caused this Supplement to be executed and delivered by a duly authorized officer on the date first above written.

[INSERT NAME OF AUGMENTING LENDER]

By: _____
Name:
Title:

Accepted and agreed to as of the date first written above:

ACTUANT CORPORATION

By:_____
Name:
Title:

Acknowledged as of the date first written above:

JPMORGAN CHASE BANK, N.A.,
as Agent

By:_____
Name:
Title:

Consented to and Accepted:

JPMORGAN CHASE BANK, N.A.,
as Agent [, LC Issuer and Swing Line Lender]

By:_____
Title:

EXHIBIT E-1

NOTE FOR REVOLVING LOANS

_____, 20__

[Actuant Corporation, a Wisconsin corporation] [[_____], a company organized under the laws of [_____]] (the "Borrower"), promises to pay to the order of _____ (the "Lender") the aggregate unpaid principal amount of all Revolving Loans made by the Lender to the Borrower pursuant to Article II of the Credit Agreement (as hereinafter defined), in immediately available funds in Dollars or the applicable Agreed Currency at the office of JPMorgan Chase Bank, N.A., as Agent, specified in Article XIII of the Credit Agreement, together with interest on the unpaid principal amount hereof at the rates and on the dates set forth in the Credit Agreement. The Borrower shall pay the principal of and accrued and unpaid interest on such Revolving Loans in full on the Revolving Loan Termination Date.

The Lender shall, and is hereby authorized to, record on the schedule attached hereto, or to otherwise record in accordance with its usual practice, the date and amount of each such Revolving Loan and the date and amount of each principal payment hereunder.

This Note is one of the Notes issued pursuant to, and is entitled to the benefits of, the Fourth Amended and Restated Credit Agreement, dated as of July 18, 2013 (which, as it may be amended, restated, supplemented or otherwise modified and in effect from time to time, is herein called the "Credit Agreement"), among Actuant Corporation, a Wisconsin corporation, the Foreign Subsidiary Borrowers party thereto, the lenders party thereto, including the Lender, the LC Issuer and JPMorgan Chase Bank, N.A., as Agent, to which Credit Agreement reference is hereby made for a statement of the terms and conditions governing this Note, including the terms and conditions under which this Note may be prepaid or its maturity date accelerated. This Note is secured pursuant to the Collateral Documents and guaranteed pursuant to certain Guarantees, all as more specifically described in the Credit Agreement, and reference is made thereto for a statement of the terms and provisions thereof. Capitalized terms used herein and not otherwise defined herein are used with the meanings attributed to them in the Credit Agreement.

The Borrower hereby waives presentment, demand, protest and any notice (except as to notice specifically set forth in the Agreement) of any kind. No failure to exercise and no delay in exercising, any rights hereunder on the part of the holder hereof shall operate as a waiver of such rights.

This Note shall be governed by and construed in accordance with the internal laws (including, without limitation, 735 ILCS Section 105/5-1 et seq., but otherwise without regard to the conflict of laws provisions) of the State of Illinois, but giving effect to federal laws applicable to national banks.

[ACTUANT CORPORATION]
[FOREIGN SUBSIDIARY BORROWER]

By: _____
Name: _____
Title: _____

SCHEDULE OF LOANS AND PAYMENTS OF PRINCIPAL
TO
NOTE OF _____,
DATED _____,

Date	Principal Amount of Loan	Maturity of Interest Period	Principal Amount Paid	Unpaid Balance

EXHIBIT E-2

NOTE FOR TERM LOANS

_____, 20__

Actuant Corporation, a Wisconsin corporation (the "Borrower"), promises to pay to the order of _____ (the "Lender") the aggregate unpaid principal amount of all Term Loans made by the Lender to the Borrower pursuant to Article II of the Credit Agreement (as hereinafter defined), in immediately available funds in Dollars at the office of JPMorgan Chase Bank, N.A., as Agent, specified in Article XIII of the Credit Agreement, together with interest on the unpaid principal amount hereof at the rates and on the dates set forth in the Credit Agreement. The Borrower shall pay the principal of and accrued and unpaid interest on such Term Loans on the dates and in the amounts specified in the Credit Agreement.

The Lender shall, and is hereby authorized to, record on the schedule attached hereto, or to otherwise record in accordance with its usual practice, the date and amount of each such Term Loan and the date and amount of each principal payment hereunder.

This Note is one of the Notes issued pursuant to, and is entitled to the benefits of, the Fourth Amended and Restated Credit Agreement, dated as of July 18, 2013 (which, as it may be amended, restated, supplemented or otherwise modified and in effect from time to time, is herein called the "Credit Agreement"), among the Borrower, the Foreign Subsidiary Borrowers party thereto, the lenders party thereto, including the Lender, the LC Issuer and JPMorgan Chase Bank, N.A., as Agent, to which Credit Agreement reference is hereby made for a statement of the terms and conditions governing this Note, including the terms and conditions under which this Note may be prepaid or its maturity date accelerated. This Note is secured pursuant to the Collateral Documents and guaranteed pursuant to certain Guarantees, all as more specifically described in the Credit Agreement, and reference is made thereto for a statement of the terms and provisions thereof. Capitalized terms used herein and not otherwise defined herein are used with the meanings attributed to them in the Credit Agreement.

The Borrower hereby waives presentment, demand, protest and any notice (except as to notice specifically set forth in the Agreement) of any kind. No failure to exercise and no delay in exercising, any rights hereunder on the part of the holder hereof shall operate as a waiver of such rights.

This Note shall be governed by and construed in accordance with the internal laws (including, without limitation, 735 ILCS Section 105/5-1 et seq., but otherwise without regard to the conflict of laws provisions) of the State of Illinois, but giving effect to federal laws applicable to national banks.

ACTUANT CORPORATION

By: _____

Name: _____

Title: _____

SCHEDULE OF LOANS AND PAYMENTS OF PRINCIPAL
TO
NOTE OF _____,
DATED _____,

Date	Principal Amount of Loan	Maturity of Interest Period	Principal Amount Paid	Unpaid Balance

EXHIBIT F

FORM OF ASSUMPTION LETTER

To the Agent and the Lenders
party to the Credit Agreement
referred to below
Ladies and Gentlemen:

Reference is made to that certain Fourth Amended and Restated Credit Agreement dated as of July 18, 2013 among Actuant Corporation, a Wisconsin corporation (the "**Company**"), the undersigned (upon the effectiveness of this Assumption Letter and the satisfaction of certain other conditions), the other Foreign Subsidiary Borrowers party thereto the financial institutions from time to time party thereto (the "**Lenders**") and JPMorgan Chase Bank, N.A., as administrative agent and contractual representative for the Lenders (in such capacity, the "**Agent**") (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**"). Terms defined in the Credit Agreement and used herein are used herein as defined therein.

The undersigned, **[**_____**]**, a company organized under the laws of **[**_____**]** (the "**Subsidiary**"), wishes to become a "Foreign Subsidiary Borrower" under the Credit Agreement, and accordingly hereby agrees that from the date hereof it shall become a "Foreign Subsidiary Borrower" under the Credit Agreement and agrees that from the date hereof and until the payment in full of the principal of and interest on all Loans made to it and performance of all of its other obligations thereunder, it shall perform, comply with and be bound by each of the provisions of the Credit Agreement which are stated to apply to the "Borrowers" or a "Foreign Subsidiary Borrower." Without limiting the generality of the foregoing, the Subsidiary hereby represents and warrants that: (i) the representations and warranties set forth in Section 5.23 of the Credit Agreement are true and correct on and as of the date hereof, and (ii) it has heretofore received a true and correct copy of the Credit Agreement (including any amendments or modifications thereof or supplements or waivers thereto) as in effect on the date hereof. In addition, the Subsidiary hereby authorizes the Company to act on its behalf as and to the extent provided for in Article II of the Credit Agreement.

CHOICE OF LAW. THIS ASSUMPTION LETTER SHALL BE CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS (INCLUDING, WITHOUT LIMITATION, 735 ILCS SECTION 105/5-1 ET SEQ, BUT OTHERWISE WITHOUT REGARD TO THE CONFLICT OF LAWS PROVISIONS) OF THE STATE OF ILLINOIS, BUT GIVING EFFECT TO FEDERAL LAWS APPLICABLE TO NATIONAL BANKS.

This Assumption Letter may be executed in any number of counterparts, each of which shall be an original, but all of which shall together constitute one and the same agreement.

IN WITNESS WHEREOF, the Subsidiary has duly executed and delivered this Assumption Letter as of the date and year first above written.

[NAME OF SUBSIDIARY]

By::_____
Name:
Title:

Acknowledged by:

JPMORGAN CHASE BANK, N.A.,
as Agent

By: _____
Name:
Title:

ACTUANT CORPORATION, as the Company

By: _____
Name:
Title:

[FOREIGN SUBSIDIARY BORROWERS]

REAFFIRMATION OF THE LOAN PARTIES

Each of the undersigned hereby acknowledges receipt of the foregoing Assumption Letter. Capitalized terms used in this Reaffirmation and not defined herein shall have the meanings given to them in the Credit Agreement referred to in the foregoing Assumption Letter. Without in any way establishing a course of dealing by the Agent or any Lender, each of the undersigned Loan Parties reaffirms the terms and conditions of each and every Loan Document to which it is a party, and each such Loan Party acknowledges and agrees that such Loan Documents executed by it in connection with the Credit Agreement remain in full force and effect and are hereby ratified, reaffirmed and confirmed. All references to the Credit Agreement contained in the above-referenced documents shall be a reference to the Credit Agreement as so amended by the Assumption Letter and as the same may from time to time hereafter be amended, restated, supplemented or otherwise modified. The failure of any Loan Party to sign this Reaffirmation shall not release, discharge or otherwise affect the obligations of any of the Loan Parties hereunder or under any of the Loan Documents.

[EACH LOAN PARTY]

By: _____
Name:
Title:

(i) EXHIBIT G

(ii) FORM OF UK TAX CERTIFICATE

(b)

To: JPMorgan Chase Bank, N.A. as Agent

From: **[***The Existing Lender***]** (the "**Existing Lender**") and **[***The New Lender***]** (the "**New Lender**")

Dated:

ACTUANT CORPORATION and OTHERS – Fourth Amended and Restated Credit Agreement dated as of July 18, 2013 (the "Agreement")

1.We refer to the Agreement. Terms defined in the Agreement have the same meaning in this certificate unless given a different meaning in this certificate.

2. We refer to Clause 12.3.1(v) of the Agreement:

The New Lender confirms by checking the relevant box that the person beneficially entitled to interest payable to that Lender in respect of an advance under a Loan Document is:

(xi) a Lender:

(i) which is a bank (as defined for the purpose of section 879 of the Income Tax Act 2007) making an advance under a Loan Document; or

(b) (i) in respect of an advance made under a Loan Document by a person that was a bank (as defined for the purpose of section 879 of the Income Tax Act 2007) at the time that that advance was made,

(i) and which is within the charge to United Kingdom corporation tax as respects any payments of interest made in respect of that advance

a company resident in the United Kingdom for United Kingdom tax purposes; or

a partnership each member of which is:

(i) a company so resident in the United Kingdom; or

(c) (ii) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which is required to bring into account in computing its chargeable profits (for the purposes of section 19 of the Corporation Tax Act 2009) the whole of any share of interest payable in respect of that advance that falls to it by reason of Part 17 of the Corporation Tax Act 2009; or

a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account interest payable in respect of an advance under a Finance Document in computing the chargeable profits (for the purposes of section 19 of the Corporation Tax Act 2009) of that company;

a Treaty Lender; or

a building society (as defined for the purpose of section 880 of the Income Tax Act 2007) making an advance under a Loan Document; or

none of the above.

3. This certificate may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this certificate.

4. The New Lender confirms (for the benefit of the Agent and without liability to any Borrower) that it is a Treaty Lender that holds a passport under the HMRC DT Treaty Passport scheme (reference number [ ]),]) and is tax resident in [ ], so that interest payable to it by borrowers is generally subject to full exemption from UK withholding tax and notifies the UK Borrowers that:

(a) each UK Subsidiary which is a Borrower as at the date on which the New Lender becomes a Lender under the Agreement (the "**Transfer Date**") must, to the extent that the New Lender becomes a Lender under a Loan which is made available to that UK Subsidiary pursuant to Article II (The Credits) of the Agreement, make an application to HM Revenue & Customs under form DTTP2 within 30 Business Days of the Transfer Date; and

(b) each UK Subsidiary which becomes a Borrower after the Transfer Date must, to the extent that the New Lender is a Lender under a Loan which is made available to that UK Subsidiary pursuant to Article II (The Credits) of the Agreement, make an application to HM Revenue & Customs under form DTTP2 within 30 Business Days of becoming a Borrower.

(i) EXHIBIT H

(ii) FORM OF SUBSIDIARY BORROWER TERMINATION

JPMorgan Chase Bank, N.A.
as Agent for the Lenders referred to below
10 South Dearborn, 7th Floor

Mail Code: IL1-0011
Chicago, IL 60603-2003
Attn: Leonida Mischke

Fax: (312) 385-7096

[Date]

Ladies and Gentlemen:

The undersigned, Actuant Corporation, a Wisconsin corporation (the "Company"), refers to the Fourth Amended and Restated Credit Agreement dated as of July 18, 2013 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among the Company, the Foreign Subsidiary Borrowers from time to time party thereto, the Lenders from time to time party thereto and JPMorgan Chase Bank, N.A., as Agent. Capitalized terms used and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement.

The Company hereby terminates the status of [_____] (the "Terminated Borrowing Subsidiary") as a Foreign Subsidiary Borrower under the Credit Agreement. [The Company represents and warrants that no Loans made to the Terminated Borrowing Subsidiary are outstanding as of the date hereof and that all amounts payable by the Terminated Borrowing Subsidiary in respect of interest and/or fees (and, to the extent notified by the Agent or any Lender, any other amounts payable under the Credit Agreement) pursuant to the Credit Agreement have been paid in full on or prior to the date hereof.] [The Company acknowledges that the Terminated Borrowing Subsidiary shall continue to be a Borrower until such time as all Loans made to the Terminated Borrowing Subsidiary shall have been prepaid and all amounts payable by the Terminated Borrowing Subsidiary in respect of interest and/or fees (and, to the extent notified by the Agent or any Lender, any other amounts payable under the Credit Agreement) pursuant to the Credit Agreement shall have been paid in full, provided that the Terminated Borrowing Subsidiary shall not have the right to make further Borrowings under the Credit Agreement.]

[Signature Page Follows]

This instrument shall be construed in accordance with and governed by the laws of the State of Illinois.

Very truly yours,

ACTUANT CORPORATION

By:_____

Name:

Title:

Schedule 1.2

Initial Material Domestic Subsidiaries

Material Domestic Subsidiary (each a Subsidiary Guarantor)	**Jurisdiction of Organization**
Actuant Electrical, Inc.	New York
Actuant International Holdings, Inc.	Delaware
Engineered Solutions, L.P.	Indiana

Other Subsidiary Guarantors

Subsidiary Guarantor	**Jurisdiction of Organization**
Applied Power Investments II, Inc.	Nevada
B.W. Elliott Manufacturing Co., LLC	New York
Electrical Holdings LLC	Delaware
Cortland Company, Inc.	Delaware
GB Tools & Supplies, LLC	Delaware
Hydratight Operations, Inc	Delaware
Maxima Holding Company, Inc.	Delaware
Maxima Holdings – Europe, Inc.	Delaware
Maxima Technologies & Systems, LLC	Delaware
Precision Sure-Lock, Inc.	Delaware
PSL Holdings, Inc.	Texas
Sanlo, Inc.	Delaware
Versa Technologies, Inc.	Delaware

Schedule 1.3

Initial Material Foreign Subsidiaries

Material Foreign Subsidiary	Jurisdiction of Organization
Actuant Europe Holdings SAS	France
Enerpac GmbH	Germany

Other Foreign Subsidiaries whose Stock is Pledged

Foreign Subsidiary	Jurisdiction of Organization
Actuant International Limited.	U.K.
Actuant Finance Limited	U.K.
Actuant Limited	U.K.
Actuant Acquisitions Limited	U.K.
Actuant Global Sourcing, Ltd.	Hong Kong

Schedule 1.4

Initial Foreign Law Pledgors and Foreign Law Pledge Agreements

Foreign Law Pledgor	Jurisdiction	Pledged Subsidiary	Pledged Subsidiary's Jurisdiction
Actuant International Holdings, Inc.	Delaware	Actuant Europe Holding SAS	France
Actuant Europe Holding SAS	France	Actuant International Limited.	U.K.
Actuant International Limited	U.K.	Actuant Finance Limited	U.K.
		Actuant Limited	U.K.
Engineered Solutions, L.P.	Indiana	Enerpac GmbH	Germany
GB Tools & Supplies, LLC	Delaware	Actuant Global Sourcing, Ltd.	Hong Kong

(i) Securities Accounts Pledge Agreement by Actuant International Holdings, Inc. over its shares in Actuant Europe Holding SAS in favor of JPMorgan Chase Bank, N.A.

(ii) Mortgage over Shares by Actuant Europe Holdings SAS, over its shares in Actuant International Limited, in favor of JPMorgan Chase Bank, N.A. as affirmed by Letter of Affirmation dated as of the Closing Date.

(iii) Mortgage over Shares by Actuant International Limited over its shares in Actuant Limited, in favor of JPMorgan Chase Bank, N.A. as affirmed by Letter of Affirmation dated as of the Closing Date.

(iv) Mortgage over Shares entered into by Actuant International Limited over its shares in Actuant Finance Limited, in favor of JPMorgan Chase Bank, N.A. as affirmed by Letter of Affirmation dated as of the Closing Date.

(v) Mortgage over Shares entered into by Actuant Corporation over its shares in Actuant Acquisitions Limited, in favor of JP Morgan Chase bank, N.A. as affirmed by Letter of Affirmation dated as of the Closing Date.

(vi) Share Pledge Agreement by Engineered Solutions, L.P. over its shares in Enerpac GmbH, to be entered into on a post-closing basis pursuant to section 6.21(g) of the Credit Agreement.

(vii) Mortgage of Shares by GB Tools & Supplies, LLC over its shares in Actuant Global Sourcing, Ltd.

Schedule 1.5

Existing Sale Leaseback Transactions

(i) Lease of the Kahl, Germany campus of Heinrich Kopp GmbH, which the Company subleases to Heinrich Kopp GmbH.

(ii) Lease by Acme Electrical, Inc. of 131 Enterprise Drive, Edwardsville, Illinois.

(iii) Lease by Acme Electrical, Inc. of 1739 Commerce Drive, Creston, Iowa;

(iv) Lease by Maxima Technologies & Systems, LLC of 1811 Rohrerstown Road, Lancaster, Pennsylvania.

Schedule 2.19.13

Existing Letters of Credit

Bank	Beneficiary	Original Issue Date	LOC Number	USD Equivalent Amount	Expiration/ Next Renewal
JPM	Doosan Heavy Industries	05/14/12	CPCS-209073	$23,520	08/01/13
JPM	Doosan Heavy Industries	05/14/12	CPCS-209091	$30,800	10/01/13
JPM	Doosan Heavy Industries	05/11/12	CPCS-209108	$15,400	10/01/13
JPM	Doosan Heavy Industries	05/11/12	CPCS-209110	$11,760	08/01/13
JPM	JPMorgan Chase Bank, N.A.	04/19/13	CPCS-237180	$10,246	01/28/14
JPM	Erste Group Bank	08/22/12	CPCS-308106	$16,038.40	09/30/13
JPM	JPMorgan Chase Bank, N.A.	10/19/12	CPCS-378061	$2,232,000	02/04/14

Schedule 4.1

List of Closing Documents

See attached.

US $690,000,000

FOURTH AMENDED AND RESTATED
CREDIT AGREEMENT

Dated as of July 18, 2013

among

ACTUANT CORPORATION

THE FOREIGN SUBSIDIARY BORROWERS PARTY THERETO

THE LENDERS FROM TIME TO TIME PARTY THERETO

and

JPMORGAN CHASE BANK, N.A.
as Agent

LIST OF CLOSING DOCUMENTS

A. LOAN DOCUMENTS

1. Fourth Amended and Restated Credit Agreement (the " **Credit Agreement**"), by and among Actuant Corporation, a Wisconsin corporation (the "**Company**"), the Foreign Subsidiary Borrowers party thereto (together with the Company, the " **Borrowers**"), the lenders from time to time party thereto (the "**Lenders**"), and JPMorgan Chase Bank, N.A., as administrative agent and contractual representative of the Lenders (the "**Agent**").

EXHIBITS

Exhibit A - Opinions of Loan Parties' Counsel
Exhibit B - Compliance Certificate
Exhibit C - Assignment and Acceptance
Exhibit D-1 - Form of Increasing Lender Supplement
Exhibit D-1 - Form of Augmenting Lender Supplement
Exhibit E-1 - Note for Revolving Loans (if requested)
Exhibit E-2 - Note for Term Loans (if requested)
Exhibit F - Form of Assumption Letter
Exhibit G - Form of UK Tax Certificate
Exhibit H - Form of Subsidiary Borrower Termination

SCHEDULES

Commitment Schedule
Pricing Schedule
Schedule 1.2 - Initial Material Domestic Subsidiaries
Schedule 1.3 - Initial Material Foreign Subsidiaries

Schedule 1.4 - Initial Foreign Law Pledgors and Foreign Law Pledge Agreements
Schedule 1.5 - Existing Sale and Leaseback Transactions
Schedule 2.19.13 - Existing Letters of Credit
Schedule 4.1 - List of Closing Documents
Schedule 5.7 - Litigation
Schedule 5.8 - Subsidiaries
Schedule 5.15 - Insurance
Schedule 6.11 - Indebtedness
Schedule 6.14 - Investments
Schedule 6.15 - Liens
Schedule 6.18 - Contingent Obligations

2. Revolving Loan Notes, if requested, executed by the Borrowers in favor of the Revolving Lenders in the aggregate principal amounts of such Revolving Lenders' Revolving Loan Commitments under the Credit Agreement.

3. Term Loan Notes, if requested, executed by the Company in favor of the Term Lenders in the aggregate principal amounts of such Term Lenders' Term Loan Commitments under the Credit Agreement.

4. Fifth Amended and Restated Subsidiary Guaranty executed by each Domestic Subsidiary Guarantor of the Company identified on Annex 1 hereto (the "**Initial Domestic Subsidiary Guarantors**") in favor of the Agent, guaranteeing the payment of the Secured Obligations.

5. Second Amended and Restated UK Borrower Guaranty executed by each UK Borrower identified on Annex 1 hereto evidencing the guaranty by each UK Borrower of the Obligations of each other Foreign Subsidiary Borrower.

6. Second Amended and Restated Pledge and Security Agreement executed by the Company and each Initial Domestic Subsidiary Guarantor (collectively, the "**Initial Grantors**") in favor of the Agent.

EXHIBITS

Exhibit A - Prior Names, Jurisdiction of Formation, Principal Place of Business and Chief Executive Office, Mergers and Mailing Address; Properties Leased by the Grantors; Properties Owned by the Grantors; Public Warehouses or Other Locations
Exhibit B - Patents, Copyrights, Trademarks
Exhibit C - List of Pledged Securities (A: Stocks, B: Bonds, C: Government Securities, D: Other Securities or Other Investment Property (Certificated or Uncertificated)
Exhibit D - UCC Financing Statement Filing Locations
Exhibit E - Commercial Tort Claims
Exhibit F - State Organization Number; Jurisdiction of Incorporation

7. Second Amended and Restated Contribution Agreement executed by each Borrower and each Initial Domestic Subsidiary Guarantor in favor of the Agent.

8. Letters of Affirmation of the existing four Mortgages over Shares (U.K.).

9. Certificates of Insurance listing the Agent as (x) lender loss payee for the "all risk" property, casualty and business interruption insurance policies of the Initial Grantors, together with long-form lender loss payable endorsement, and (y) additional insured with respect to the liability insurance of the Initial Grantors, together with an additional insured endorsement.

B. UCC DOCUMENTS

10. Copies of previously filed UCC financing statements and amendments filed against each Initial Grantor, as debtor, and the Agent, as secured party, in the offices listed on Annex 2 hereto, including UCC-1 for Cortland Company, Inc.

11. Additional UCC filings:

a. UCC-3 name-change filings for Electrical Holdings LLC (f/k/a Acme Electrical, LLC).

b. UCC-3 termination for Actuant Holdings, LLC

12. UCC, tax lien, judgment and name variation search reports naming each Initial Grantor (and certain former names or pre-merger entities, as appropriate) from the appropriate offices in those jurisdictions identified in Annex 3 hereto, and confirming that each of the filings identified in the immediately preceding two items are of record in the appropriate jurisdictions.

C. CORPORATE DOCUMENTS

13. Certificate of the Secretary of the Company certifying (i) resolutions of the Board of Directors of the Company authorizing the execution, delivery and performance of each Loan Document to which it is a party, (ii) that there have been no changes in the Certificate of Incorporation of the Company, as attached thereto and as certified as of a recent date by the Secretary of State of Wisconsin, since the date of the certification thereof by the Secretary of State of Wisconsin, (iii) the names and true signatures of the incumbent officers of the Company authorized to sign the Loan Documents to which it is a party and authorized to request Credit Extensions under the Credit Agreement and (iv) the By-Laws, as attached thereto, of the Company as in effect on the date of such certification.

14. Certificate of Good Standing for the Company from the office of the Secretary of State of Wisconsin.

15. Certificate of the Secretary of each Initial Domestic Subsidiary Guarantor certifying (i) resolutions of the Board of Directors or equivalent governing body of such Initial Domestic Subsidiary Guarantor, approving and authorizing the execution, delivery and performance of each Loan

Document to which it is a party, (ii) that there have been no changes in the Articles or Certificate of Incorporation, Certificate of Formation or other charter document of such Initial Domestic Subsidiary Guarantor, as attached thereto and as certified as of a recent date by the secretary of state (or the equivalent thereof) of its jurisdiction of organization, if applicable, since the date of the certification thereof by such secretary of state (or equivalent thereof), (iii) the names and true signatures of the incumbent officers of such Initial Domestic Subsidiary Guarantor, as applicable, authorized to sign the Loan Documents to which it is a party and (iv) the By-Laws, Operating Agreement, or other applicable organizational document, as attached thereto, of such Initial Domestic Subsidiary Guarantor, as in effect on the date of such certification.

16. ***Good Standing Certificates (or the equivalents thereof) for each Initial Domestic Subsidiary Guarantor from the offices of the Secretaries of State (or the equivalents thereof) in the respective jurisdictions set forth on Annex 1 hereto.***

17. ***Officer's Certificate of each UK Borrower certifying (i) resolutions of the Board of Directors of such UK Borrower, approving and authorizing the execution, delivery and performance of each Loan Document to which it is a party, (ii) the constitutional documents of such UK Borrower, as attached thereto as in effect on the date of such certification and (iii) the names and true signatures of the incumbent officers of such UK Borrower, as applicable, authorized to sign the Loan Documents to which it is a party.***

18. ***Officer's Certificate of Actuant Europe Holding SAS certifying (i) resolutions of the Board of Directors of Actuant Europe Holding SAS, approving and authorizing the execution, delivery and performance of each Loan Document to which it is a party, (ii) the constitutional documents of Actuant Europe Holding SAS, as attached thereto as in effect on the date of such certification and (iii) the names and true signatures of the incumbent officers of Actuant Europe Holding SAS, as applicable, authorized to sign the Loan Documents to which it is a party.***

D. LEGAL OPINIONS

19. ***Opinion of McDermott, Will & Emery LLP, counsel to the Company, with respect to issues of Illinois, New York, Texas, Delaware and, as it relates to UCC issues, Indiana and Nevada law.***

20. ***Opinion of Quarles & Brady LLP, counsel to the Company, with respect to issues of Wisconsin law.***

21. ***Opinion of Williams & Associates Law Firm, PC, counsel to the Company, with respect to issues of Indiana law.***

22. ***Opinion of McDermott, Will & Emery LLP, counsel to the Loan Parties, with respect to issues of UK law.***

E. CLOSING CERTIFICATE AND MISCELLANEOUS

23. ***A certificate, signed by a Financial Officer of the Company, stating that on the initial Credit Extension Date (a) the representations and warranties contained in Article V of the Credit Agreement are true and correct and (b) no Default or Unmatured Default has occurred and is continuing.***

24. ***Opening Pro Forma Compliance Certificate, signed by a Financial Officer of the Company, showing the calculations necessary to determine compliance with Sections 6.19 and 6.21 of the Credit Agreement, which calculations shall be prepared in a manner acceptable to the Agent and the Lenders.***

F. POST-CLOSING

25. Affirmations or replacements of the following foreign law pledge agreements, together with corporate deliveries and legal opinions, as requested:

a. Share Pledge Agreement by Engineered Solutions, L.P. over its shares in Enerpac GmbH (Germany); and

b. Securities Accounts Pledge Agreement by Actuant International Holdings, Inc. over its shares in Actuant Europe Holding SAS (France).

ANNEX 1

INITIAL LOAN PARTIES

U.S. LOAN PARTIES

U.S. BORROWER

Borrower/Grantor	Jurisdiction
Actuant Corporation	Wisconsin

INITIAL DOMESTIC SUBSIDIARY GUARANTORS

Domestic Subsidiary Guarantor/Grantor	Jurisdiction
Actuant Electrical, Inc.	New York
Actuant International Holdings, Inc.	Delaware
Applied Power Investments II, Inc.	Nevada
B.W. Elliott Manufacturing Co., LLC	New York
Cortland Company, Inc.	Delaware
Electrical Holdings LLC	Delaware
Engineered Solutions, L.P. *Engineered Solutions L.P.*	Indiana
GB Tools & Supplies, LLC	Delaware
Hydratight Operations, Inc.	Delaware
Maxima Holding Company, Inc.	Delaware
Maxima Holdings – Europe, Inc.	Delaware
Maxima Technologies & Systems, LLC *Maxima Technologies & Systems LLC*	Delaware
Precision Sure-Lock, Inc.	Delaware
PSL Holdings, Inc.	Texas
Sanlo, Inc.	Delaware
Versa Technologies, Inc.	Delaware

FOREIGN LOAN PARTIES

FOREIGN SUBSIDIARY BORROWERS

Borrower	Jurisdiction
Actuant Finance Ltd.	U.K.
Actuant Ltd.	U.K.

FOREIGN LAW PLEDGORS

Foreign Law Pledgor	Jurisdiction	Pledged Subsidiary	Pledged Subsidiary's Jurisdiction
Actuant International Holdings, Inc.	Delaware	Actuant Europe Holding SAS	France
Actuant Europe Holding SAS	France	Actuant International Limited	U.K.
Actuant International Limited	U.K.	Actuant Finance Limited	U.K.
		Actuant Limited	U.K.
Actuant Corporation	Wisconsin	Actuant Acquisitions Limited	U.K.
Engineered Solutions, L.P.	Indiana	Enerpac GmbH	Germany
GB Tools & Supplies, LLC	Delaware	Actuant Global Sourcing, Ltd.	Hong Kong

ANNEX 2

LIEN SEARCH JURISDICTIONS

Name	Type of Search	Jurisdiction
Actuant Corporation	UCC/TL/J	Wisconsin SOS
	STL/FTL	Waukesha County, Wisconsin Milwaukee County, Wisconsin
	SPSJ/FPSJ	Waukesha County, Wisconsin Milwaukee County, Wisconsin
"Actuant"	Name Variation	Wisconsin SOS
ACTUANT HOLDINGS, LLC	UCC/TL/J	Delaware SOS
	STL/FTL	Waukesha County, Wisconsin Milwaukee County, Wisconsin
	SJ/FJ	Waukesha County, Wisconsin Milwaukee County, Wisconsin
"Actuant"	Name Variation	Delaware SOS
Acme Electric, LLC	UCC/TL/J	Delaware SOS
	STL/FTL	Wisconsin SOS Illinois SOS North Carolina SOS Waukesha County, Wisconsin McHenry County, Illinois Robeson County, North Carolina
	SJ/FJ	Waukesha County, Wisconsin McHenry County, Illinois Robeson County, North Carolina
	Name Variation	Delaware SOS Wisconsin SOS Illinois SOS North Carolina SOS
Actuant Electrical, Inc.	UCC/TL/J	New York SOS
	STL/FTL	Wisconsin SOS Iowa SOS Illinois SOS California SOS Connecticut SOS Waukesha County, Wisconsin Union County, Iowa Madison County, Illinois Napa County, California Hartford County, Connecticut (Berlin)
	SJ/FJ	Waukesha County, Wisconsin Union County, Iowa Madison County, Illinois Napa County, California Hartford County, Connecticut (Berlin)

“Actuant Electric”	Name Variation	New York SOS California SOS Connecticut SOS Illinois SOS Iowa SOS Wisconsin SOS
Actuant International Holdings, Inc.	UCC/TL/J	Delaware SOS
	STL/FTL	Wisconsin SOS Waukesha County, Wisconsin
	SJ/FJ	Waukesha County, Wisconsin
Applied Power Investments II, Inc.	UCC/TL/J	Nevada SOS
	STL/FTL	Wisconsin SOS Waukesha County, Wisconsin Milwaukee County, Wisconsin
	SJ/FJ	Waukesha County, Wisconsin Milwaukee County, Wisconsin
	Name Variation	Nevada SOS Wisconsin SOS
B.W. Elliott Manufacturing Co., LLC	UCC/TL/J	New York SOS
	STL/FTL	Wisconsin SOS Waukesha County, Wisconsin Broome County, New York
	SJ/FJ	Waukesha County, Wisconsin Broome County, New York
“bw el ma”; bw elliot”; “elliott manufa”	Name Variation	New York SOS Wisconsin SOS
Cortland Company, Inc.	UCC/TL/J	Delaware SOS
	STL/FTL	Wisconsin SOS Texas SOS Waukesha County, Wisconsin Fort Bend County, Texas
	SJ/FJ	Waukesha County, Wisconsin Fort Bend County, Texas
“Cortland”	Name Variation	Texas SOS Delaware SOS Wisconsin SOS
The Cortland Companies, Inc.	UCC/TL/J	Delaware SOS
	STL/FTL	Wisconsin SOS Texas SOS Waukesha County, Wisconsin Fort Bend County, Texas
	SJ/FJ	Waukesha County, Wisconsin Fort Bend County, Texas
Cortland Cable Company, Inc.	UCC/TL/J	New York SOS

	STL/FTL	Wisconsin SOS Waukesha County, Wisconsin Cortland County, New York
	SJ/FJ	Waukesha County, Wisconsin Cortland County, New York
Cortland Holding Company	UCC/TL/J	Delaware SOS
	STL/FTL	Wisconsin SOS New York SOS Waukesha County, Wisconsin Cortland County, New York
	SJ/FJ	Waukesha County, Wisconsin Cortland County, New York
Viking Rope Corporation	UCC/TL/J	Washington SOS
	STL/FTL	Wisconsin SOS New York SOS Waukesha County, Wisconsin Cortland County, New York
	SJ/FJ	Waukesha County, Wisconsin Cortland County, New York
	Name Variation	Washington SOS
ENGINEERED SOLUTIONS, L.P.	UCC/TL/J	Indiana SOS
	STL/FTL	Wisconsin SOS Waukesha County, Wisconsin St. Joseph County, Indiana
	SJ/FJ	Waukesha County, Wisconsin St. Joseph County, Indiana
	Name Variation	Indiana SOS Wisconsin SOS
Engineered Solutions L.P.		Please search only in jurisdictions listed directly above that do not consider a comma a noise word
GB Tools & Supplies, LLC	UCC/TL/J	Delaware SOS
	STL/FTL	Wisconsin SOS Waukesha County, Wisconsin Milwaukee County, Wisconsin
	SJ/FJ	Waukesha County, Wisconsin Milwaukee County, Wisconsin
	Name Variation	Delaware SOS Wisconsin SOS
Hydratight Operations, Inc.	UCC/TL/J	Delaware SOS
	STL/FTL	Wisconsin SOS Texas SOS Waukesha County, Wisconsin Orange County, Texas
	SJ/FJ	Waukesha County, Wisconsin Orange County, Texas
	Name Variation	Delaware SOS Wisconsin SOS Texas SOS

Maxima Holding Company, Inc.	UCC/TL/J	Delaware SOS
	STL/FTL	Wisconsin SOS Waukesha County, Wisconsin Lancaster County, Pennsylvania
	SJ/FJ	Waukesha County, Wisconsin Lancaster County, Pennsylvania
"Maxima Holdin"	Name Variation	Delaware SOS Wisconsin SOS Pennsylvania SOS
Maxima Holdings – Europe, Inc.	UCC/TL/J	Delaware SOS
	STL/FTL	Wisconsin SOS Waukesha County, Wisconsin Lancaster County, Pennsylvania
	SJ/FJ	Waukesha County, Wisconsin Lancaster County, Pennsylvania
Maxima Technologies & Systems, LLC	UCC/TL/J	Delaware SOS
	STL/FTL	Wisconsin SOS Waukesha County, Wisconsin Lancaster County, Pennsylvania
	SJ/FJ	Waukesha County, Wisconsin Lancaster County, Pennsylvania
"Maxima Techno"	Name Variation	Delaware SOS Wisconsin SOS Pennsylvania SOS
Maxima Technologies & Systems LLC		Please search only in jurisdictions listed directly above that do not consider a comma a noise word
Precision Sure-Lock, Inc.	UCC/TL/J	Delaware SOS
	STL/FTL	Wisconsin SOS Texas SOS Waukesha County, Wisconsin Dallas County, Texas
	SJ/FJ	Waukesha County, Wisconsin Dallas County, Texas
	Name Variation	Delaware SOS Wisconsin SOS Texas SOS
PSL Holdings, Inc.	UCC/TL/J	Texas SOS
	STL/FTL	Wisconsin SOS Waukesha County, Wisconsin Dallas County, Texas
	SJ/FJ	Waukesha County, Wisconsin Dallas County, Texas
	Name Variation	Texas SOS Wisconsin SOS
Sanlo, Inc.	UCC/TL/J	Delaware SOS

	STL/FTL	Wisconsin SOS Waukesha County, Wisconsin LaPorte County, Indiana
	SJ/FJ	Waukesha County, Wisconsin LaPorte County, Indiana
	Name Variation	Delaware SOS Wisconsin SOS Indiana SOS
Templeton, Kenly & Co., Inc.	UCC/TL/J	Illinois SOS
	STL/FTL	Wisconsin SOS Waukesha County, Wisconsin Cook County, Illinois
	SJ/FJ	Waukesha County, Wisconsin Cook County, Illinois
	Name Variation	Illinois SOS Wisconsin SOS
Versa Technologies, Inc.	UCC/TL/J	Delaware SOS
	STL/FTL	Wisconsin SOS Waukesha County, Wisconsin Milwaukee County, Wisconsin
	SJ/FJ	Waukesha County, Wisconsin Milwaukee County, Wisconsin
	Name Variation	Delaware SOS Wisconsin SOS

Schedule 5.7

Litigation

None.

Schedule 5.15

Insurance

Reflected on Insurance Certificates Delivered to Agent.

Schedule 6.11

Indebtedness

None.

Schedule 6.14

Investments

See Schedule 5.8.

Schedule 6.15

Liens

None.

Schedule 6.18

Contingent Obligations

In connection with the Company's Spin-off of its electronics business ("APW") in fiscal year 2000, the Company remained contingently liable for certain lease obligations of APW. If APW were unable to fulfill its obligations under the leases, the Company could be liable for such leases. The discounted present value of future minimum lease payments for such leases totals, assuming no offset for sub-leasing, approximately $11.9 million at May 31, 2013

Exhibit 4.5(b)

EXECUTION VERSION

AMENDMENT NO. 1
TO
FOURTH AMENDED AND RESTATED CREDIT AGREEMENT

THIS AMENDMENT NO. 1 TO FOURTH AMENDED AND RESTATED CREDIT AGREEMENT (the "**Amendment**") is made as of August 27, 2013 by and among Actuant Corporation, a Wisconsin corporation (the "**Company**"), Actuant Limited, a company organized under the laws of England ("**Actuant Ltd.**"), Actuant Finance Limited, a company organized under the laws of England ("**Actuant Finance**" and, collectively with the Company and Actuant Ltd., the "**Borrowers**"), the financial institutions listed on the signature pages hereto and JPMorgan Chase Bank, N.A., as the administrative agent for the "Lenders" referred to below (in such capacity, the "**Agent**"). Capitalized terms used but not otherwise defined herein shall have the respective meanings given to them in the "Credit Agreement" referred to below.

W I T N E S S E T H:

WHEREAS, the signatories hereto are parties to that certain Fourth Amended and Restated Credit Agreement, dated as of July 18, 2013, among the Borrowers, the financial institutions from time to time parties thereto (the "**Lenders**") and the Agent (as amended, restated, supplemented or otherwise modified prior to the date hereof, the "**Credit Agreement**"); and

WHEREAS, the parties hereto have agreed to amend the Credit Agreement on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises set forth above, the terms and conditions contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto have agreed to the following amendment to the Credit Agreement.

1. **Amendment**. Effective as of the date hereof and subject to the satisfaction of the conditions precedent set forth in Section 2 below, the Credit Agreement is hereby amended by deleting the word "[Reserved]" in clause (vii) of Section 6.14 of the Credit Agreement and replacing it with the following:

(vii) The intercompany loans in an aggregate principal amount not to exceed $245,000,000 (or the Dollar equivalent thereof) made by Actuant UK Holdings, LLC, a Wholly-Owned Subsidiary of the Company to (i) Actuant Acquisitions Limited, the proceeds of which shall be used to pay cash consideration for the acquisition by Actuant Acquisitions Limited of Venice Topco Limited and its Subsidiaries (commonly known as Viking SeaTech) and (ii) immediately following the consummation of such acquisition, to Venice Topco Limited, which shall then be a Wholly-Owned Subsidiary of the Company, the proceeds of which shall be used to repay any assumed Indebtedness of Venice Topco Limited and its Subsidiaries, provided that (1) the aforementioned acquisition constitutes a Permitted Acquisition and (2) Actuant UK Holdings, LLC delivers to the Agent any promissory notes received by it to evidence such loans to the extent required by and in accordance with the terms of the Security Agreement.

2. **Conditions of Effectiveness.** This Amendment shall become effective as of the date hereof if, and only if, the Agent shall have received:

(a) executed copies of this Amendment from the Borrowers, the Agent and the Required Lenders;

(b) executed copies of the Reaffirmation attached hereto in the form of Exhibit A from each existing Guarantor and Foreign Law Pledgor;

(c) confirmation that all fees and expenses of counsel to the Agent required to be paid in connection with the Loan Documents (including this Amendment) pursuant to Section 9.6 of the Credit Agreement have been paid, in each case to the extent that invoices for the same have been submitted at least one Business Day prior to the date hereof;

(d) a certificate of the Company demonstrating in reasonable detail pro forma compliance with the financial covenants contained in Section 6.19 of the Credit Agreement, all as more fully described in clauses (e) and (f) of the definition of "Permitted Acquisition";

(e) each of the documents and other deliveries required pursuant to Section 6.21 of the Credit Agreement to cause Actuant UK Holdings, LLC to become a Domestic Subsidiary Guarantor; and

(f) such other instruments and documents as the Agent shall have reasonably requested in connection with this Amendment.

3. Representations and Warranties of the Borrowers. Each Borrower hereby represents and warrants as follows:

(a) Such Borrower has the power and authority and legal right to execute and deliver this Amendment and to perform its obligations hereunder and under the Credit Agreement (as modified hereby). The execution and delivery by such Borrower of this Amendment and the performance of its obligations hereunder and under the Credit Agreement (as modified hereby) have been duly authorized by proper corporate proceedings, and this Amendment and the Credit Agreement (as modified hereby) constitute legal, valid and binding obligations of such Borrower enforceable against such Borrower in accordance with their terms, except as enforceability may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally.

(b) Neither the execution and delivery by such Borrower of this Amendment, nor the consummation of the transactions contemplated herein or in the Credit Agreement (as modified hereby), nor compliance with the provisions hereof or thereof will violate (i) any law, rule, regulation, order, writ, judgment, injunction, decree or award binding on such Borrower, (ii) the articles or incorporation or by-laws or other organizational documents of such Borrower or (iii) the provisions of any indenture, instrument or agreement to which such Borrower is a party or is subject, or by which it, or its Property, is bound, or conflict with or constitute a default thereunder, or result in, or require, the creation or imposition of any Lien in, of or on the Property of such Borrower pursuant to the terms of any such indenture, instrument or agreement.

(c) No order, consent, adjudication, approval, license, authorization, or validation of, or filing, recording or registration with, or exemption by, or other action in respect of any governmental or public body or authority, or any subdivision thereof, which has not been obtained by such Borrower, is required to be obtained by such Borrower in connection with the execution and delivery of this Amendment or the legality, validity, binding effect or enforceability of the Credit Agreement (as modified hereby).

(d) As of the date hereof and giving effect to the terms of this Amendment, (i) there exists no Default or Unmatured Default and (ii) the representations and warranties contained in Article V of the Credit Agreement (as modified hereby) are true and correct except to the extent any such representation or warranty is stated to relate solely to an earlier date, in which case such representation or warranty shall have been true and correct on and as of such earlier date.

4. Reference to and Effect on the Credit Agreement and Loan Documents.

(a) Upon the effectiveness of Section 1 hereof, each reference to the Credit Agreement in the Credit Agreement or any other Loan Document shall mean and be a reference to the Credit Agreement as modified hereby. This Amendment is a Loan Document pursuant to the Credit Agreement and shall (unless expressly indicated otherwise herein or therein) be construed, administered, and applied, in accordance with all of the terms and provisions of the Credit Agreement.

(b) Each Borrower (i) agrees that this Amendment and the transactions contemplated hereby shall not limit or diminish the obligations of such Borrower arising under or pursuant to the Credit Agreement and the other Loan Documents to which it is a party, (ii) reaffirms its obligations under the Credit Agreement and each and every other Loan Document to which it is a party (including, without limitation, each applicable Collateral Document), (iii) reaffirms all Liens on any collateral (including the Collateral) which have been granted by it in favor of the Agent pursuant to any of the Loan Documents, and (iv) acknowledges and agrees that except as specifically modified above, the Credit Agreement and all other Loan Documents executed and/or delivered in connection therewith shall remain in full force and effect and are hereby ratified and confirmed.

(c) The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of the Agent or the Lenders, nor constitute a waiver of or consent to any provision of the Credit Agreement or any other Loan Documents executed and/or delivered in connection therewith.

5. Governing Law. THIS AMENDMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS (INCLUDING, WITHOUT LIMITATION, 735 ILCS SECTION 105/5-1 ET SEQ., BUT OTHERWISE WITHOUT REGARD TO THE CONFLICT OF LAWS PROVISIONS) OF THE STATE OF ILLINOIS, BUT GIVING EFFECT TO FEDERAL LAWS APPLICABLE TO NATIONAL BANKS.

6. Headings. Section headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose.

7. Counterparts. This Amendment may be executed by one or more of the parties hereto on any number of separate counterparts (including by means of facsimile or electronic transmission), and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

IN WITNESS WHEREOF, this Amendment has been duly executed as of the day and year first above written.

ACTUANT CORPORATION,
as a Borrower

By: /s/ Terry M. Braatz
Name: Terry M. Braatz
Title: Treasurer

ACTUANT LIMITED,
as a Borrower

By: /s/ Jan de Koning
Name: Jan de Koning
Title: Director

ACTUANT FINANCE LIMITED,
as a Borrower

By: /s/ Jan de Koning
Name: Jan de Koning
Title: Director

JPMORGAN CHASE BANK, N.A.,
as a Lender and as Agent

By: /s/ Richard Barritt
Name: Richard Barritt
Title: Associate

BANK OF AMERICA, N.A.,
as a Lender

By: /s/ Marc Sanchez
Name: Marc Sanchez
Title: Vice President

WELLS FARGO BANK, N.A.,
as a Lender

By: /s/ Thomas P. Trail
Name: Thomas P. Trail
Title: Director

U.S. BANK NATIONAL ASSOCIATION,
as a Lender

By: /s/ Caroline V. Krider
Name: Caroline V. Krider
Title: Senior Vice President

KEYBANK NATIONAL ASSOCIATION,
as a Lender

By: /s/ Brian P. Fox
Name: Brian P. Fox
Title: Vice President

BMO HARRIS BANK, N.A.,
as a Lender

By: /s/ Ronald J. Carey
Name: Ronald J. Carey
Title: Senior Vice President

SUNTRUST BANK,
as a Lender

By: /s/ Johnetta Bush
Name: Johnetta Bush
Title: Vice President

RBS CITIZENS, N.A.,
as a Lender

By: /s/ Jeffrey P. Huening
Name: Jeffrey P. Huening
Title: Vice President

PNC BANK, NATIONAL ASSOCIATION,
as a Lender

By: /s/ Henry Hissrich
Name: Henry Hissrich
Title: Vice President

ROYAL BANK OF CANADA,
as a Lender

By: /s/ Ian C. Blaker
Name: Ian C. Blaker
Title: Authorized Signatory

BRANCH BANKING AND TRUST COMPANY,
as a Lender

By: /s/ Kurt W. Anstaett
Name: Kurt W. Anstaett
Title: Senior Vice President

THE NORTHERN TRUST COMPANY,
as a Lender

By: /s/ Patrick Cowan
Name: Patrick Cowan
Title: Senior Vice President

ASSOCIATED BANK, N.A.,
as a Lender

By: /s/ Daniel R. Holzhauer
Name: Daniel R. Holzhauer
Title: Senior Vice President

EXHIBIT A

Reaffirmation

Each of the undersigned hereby acknowledges receipt of a copy of Amendment No. 1 dated as of August 27, 2013 (the " **Amendment**") to the Fourth Amended and Restated Credit Agreement, dated as of July 18, 2013, by and among Actuant Corporation, a Wisconsin corporation (the "**Company**"), Actuant Limited, a company organized under the laws of England ("**Actuant Ltd.**"), Actuant Finance Limited, a company organized under the laws of England ("**Actuant Finance**" and, collectively with the Company and Actuant Ltd., the " **Borrowers**"), the financial institutions from time to time parties thereto (the "**Lenders**") and JPMorgan Chase Bank, National Association, as the administrative agent for the Lenders (the " **Agent**") (as amended, restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**"). Capitalized terms used in this Reaffirmation and not defined herein shall have the meanings given to them in the Credit Agreement.

Each of the undersigned, by its signature below, hereby (a) acknowledges and consents to the execution and delivery of the Amendment by the parties thereto, (b) agrees that the Amendment and the transactions contemplated thereby shall not limit or diminish the obligations of such Person arising under or pursuant to the Collateral Documents and the other Loan Documents to which it is a party (including, in the case of each Guarantor, without limitation, the Domestic Subsidiary Guaranty and the Security Agreement and, in the case of each Foreign Law Pledgor, without limitation, each applicable Foreign Law Pledge Agreement), (c) reaffirms all of its obligations under the Loan Documents to which it is a party, (d) reaffirms all Liens on any collateral (including the Collateral) which have been granted by it in favor of the Agent pursuant to any of the Loan Documents, and (e) acknowledges and agrees that each Loan Document executed by it remains in full force and effect and is hereby reaffirmed, ratified and confirmed. All references to the Credit Agreement contained in any Loan Document shall be a reference to the Credit Agreement as so modified by the Amendment and as the same has previously been, or may from time to time hereafter be, amended, restated, supplemented or otherwise modified. The Amendment is a Loan Document pursuant to the Credit Agreement and shall (unless expressly indicated therein) be construed, administered, and applied, in accordance with all of the terms and provisions of the Credit Agreement.

ACTUANT ELECTRICAL, INC.
ACTUANT INTERNATIONAL HOLDINGS, INC.
ACTUANT UK HOLDINGS, LLC
APPLIED POWER INVESTMENTS II, INC..
B.W. ELLIOTT MANUFACTURING CO., LLC
CORTLAND COMPANY, INC.
ELECTRICAL HOLDINGS LLC
GB TOOLS & SUPPLIES, LLC
HYDRATIGHT OPERATIONS, INC.
MAXIMA HOLDING COMPANY, INC.
MAXIMA HOLDINGS - EUROPE, INC.
MAXIMA TECHNOLOGIES & SYSTEMS, LLC
PRECISION SURE-LOCK, INC.
PSL HOLDINGS, INC.
SANLO, INC.
VERSA TECHNOLOGIES, INC.

By:_____
Name: Terry M. Braatz
Title: Treasurer

ENGINEERED SOLUTIONS, L.P.

By: Versa Technologies, Inc.,
its general partner

By:_____
Name: Terry M. Braatz
Title: Treasurer

ACTUANT EUROPE HOLDINGS SAS

By:_____
Name:
Title:

ACTUANT INTERNATIONAL LIMITED

By:_____
Name:
Title:

ACTUANT CORPORATION
OUTSIDE DIRECTORS'
DEFERRED COMPENSATION PLAN

(Conformed through First Amendment)

Section 1. Definitions

The following words and terms shall have the indicated meanings wherever they appear in the Plan:

1.1 "Annual Deferral Amount" shall mean that portion of a Participant's compensation that a Participant elects to have and is actually deferred for any annual term of office.

1.2 "Board of Directors", "Directors" or "Director" shall mean, respectively, the Board of Directors, the Directors or a Director of the Company.

1.3 "Committee" shall mean the Compensation Committee of the Board of Directors.

1.4 "Company" shall mean Actuant Corporation.

1.5 "Deferred Shares" shall mean the units credited to Deferred Shares Accounts. The Market Price of Deferred Shares shall be equal to the Market Price of Shares.

1.6 "Deferred Shares Account" or "Account" shall mean the separate account established under the Plan for each Participant, as described in Section 3.2.

1.7 "Market Price" shall mean the closing sale price for Shares on a specified date or, if Shares were not then traded, on the most recent prior date when Shares were traded, all as is quoted in The Wall Street Journal reports of New York Stock Exchange Composite Transactions.

1.8 "Notice Form" shall mean the form attached hereto and marked as Exhibit A or any other document which incorporates information substantially similar to Exhibit A.

1.9 "Participant" shall mean each Director of the Company who participates in the Plan in accordance with its terms and conditions.

1.10 "Plan" shall mean the Actuant Corporation Outside Directors' Deferred Compensation Plan as set forth herein, or as it may be amended from time to time by the Board of Directors.

1.11 "Shares" shall mean shares of Common Stock of the Company.

1.12 "Short-Term Payout" shall mean the payout set forth in Section 4.

1.13 "Treasurer" shall mean the Treasurer of the Company who shall have responsibility for those functions assigned under the Plan.

Section 2. Participation

2.1 The Company maintains the Plan for the benefit of non-employee Directors of the Company, to provide such Directors with certain deferred compensation benefits. Each Director who receives compensation under Section 3.1 is eligible to participate in the Plan. The Plan is designed to comply with the American Jobs Creation Act of 2004, as amended (the "Jobs Act"), and Section 409A of the Code, and final Treasury regulations issued thereunder, with respect to Non-Grandfathered Amounts under the Plan. "Grandfathered Amounts" shall mean the portion of the Participant's Deferred Shares Account balance under the Plan as of December 31, 2004, the right to which was earned and vested (within the meaning of Treasury Regulation §1.409A-6(a)(2)) as of December 31, 2004, plus the right to future contributions to the Account the right to which was earned and vested (within the meaning of Treasury Regulation. §1.409A-6(a)(2)) as of December 31, 2004, to the extent such contributions are actually made, each determined by reference to the terms of the Plan in effect as of October 3, 2004, but only to the extent such Plan terms have not been materially modified (within the meaning of Treasury Regulation §1.409A-6(a)(4)) after October 3, 2004. Grandfathered Amounts shall include any earnings (within the meaning of Treasury Regulation. §1.409A-1(o)) attributable thereto. "Non-Grandfathered Amounts" shall mean the Participant's Account balance under the Plan less any portion of the Participant's Deferred Shares Account balance under the Plan constituting Grandfathered Amounts. Prior to January 1, 2009, it is intended that the Plan be interpreted according to a good faith interpretation of the Jobs Act and Section 409A of the Code, and consistent with published guidance thereunder, including, without limitation, IRS Notice 2005-1 and the proposed and final Treasury regulations under Section 409A of the Code. Treatment of amounts deferred under the Plan pursuant to and in accordance with any transition rules provided under all IRS published guidance and other applicable authorities in connection with the Jobs Act or Section 409A of the Code, including, without limitation, the adoption of the transition rules prescribed under Q&As 20 and 21 of IRS Notice 2005-1, shall be expressly authorized hereunder and shall be administered in accordance with procedures established by the Company or the Committee, as the case may be. In the event of any inconsistency between the terms of the Plan and the Jobs Act or Section 409A of the Code with respect to Non-Grandfathered Amounts, the terms of the Jobs Act and Section 409A of the Code shall prevail and govern.

2.2 (1) Each eligible Director may elect to participate in the Plan by giving a properly completed Notice Form to the Treasurer. The effective date for his

participation in the Plan shall be the time of his election to that office for the ensuing term. Such election by the Director to participate shall remain in effect until the end of the calendar year for which the Director's election is applicable. In the event that the Director does not submit a properly completed Notice Form to the Treasurer by December 31 of a given calendar year, he shall be deemed to have elected to defer no compensation during the subsequent calendar year, and such deemed election shall be irrevocable for that subsequent calendar year.

(a) A Participant may change his beneficiary at any time by providing a Notice Form to the Treasurer. A Participant may change the method or time of payment of compensation at any time by providing a Notice Form to the Treasurer, however; such change shall apply only to prospective deferrals.

(b) A Participant may change his beneficiary at any time by providing a Notice Form to the Treasurer. A Participant may change the method or time of payment of compensation at any time by providing a Notice Form to the Treasurer, however; such change shall apply only to prospective deferrals.

Section 3. Compensation Deferred

3.1 A Participant may elect that the payment of all or a specified portion of the compensation otherwise payable to him in cash for services as a Director be deferred pursuant to the terms of this Plan. Such compensation includes retainer fees and attendance fees but does not include travel expense allowance or any other expense reimbursement. At the time of making any such election, a Participant shall elect that such compensation be deferred in the form of a Deferred Shares Account.

3.2 (a) A Deferred Shares Account shall be established for each Participant which shall be credited with the number of Shares that could be acquired with the amount deferred by the Participant under Section 3.1 above. (b) In the event of a reorganization, recapitalization, stock split, stock dividend, combination of shares, merger, consolidation, rights offering or any other change in the corporate structure or Shares of the Company, the Committee shall make such adjustment, if any, as it may deem appropriate in the number and kinds of Deferred Shares credited to the Deferred Shares Account.

3.3 Each Participant will receive a statement of the balance in his Account not less frequently than annually.

Section 4. Short Term Payout

4.1 A participant may elect to receive a future Short-Term Payout from the Plan with respect to the Annual Deferral Amount. The Short-Term Payout shall be a lump sum distribution of Shares equal to the number of the Deferred Shares in the Deferred Shares Account. Subject to the other terms and conditions of this Plan,

each Short-Term Payout elected shall be paid within 60 days of the earlier of (i) the date selected by the Participant (which must be at least 5 years after the date of the Participant's deferral election), or (ii) the date the Participant ceases to be a Director. A properly completed election form making an irrevocable request for a Short-Term Payout is required to be submitted to the Treasurer prior to December 31 of the calendar year preceding the calendar year for which the Annual Deferral Amount relates.

Section 5. Payment of Deferred Compensation

5.1 Upon the termination of a Participant's services as a Director, the payment of the Deferred Shares remaining in his Deferred Shares Account shall commence within 60 days following the date the Participant ceases to be a Director and shall be paid in accordance with the method elected by the Participant on the applicable Notice Form or Forms, as provided in Section 5.2.

5.2 Subject to Section 2.2 and this Section 5, and except as provided in Section 4.1 a Participant may elect any of the following methods of payment of the balance or balances in his Account:

(a) a lump sum distribution of Shares equal to the number of Deferred Shares in such account on the last business day before such payment, plus a cash payment equal to the amount of any excess which it has not been possible to convert into Deferred Shares in accordance with Section 3.2(a); or

(b) distributions in annual installments for a term of five or ten years, in each case in Shares equal to the number of Deferred Shares in such Account on the last business day before such distribution. The installment shares will be calculated by prorating the total number of Deferred Shares in the Deferred Shares Account equally over the applicable payout period. The first such payment shall be made in the calendar year following the year in which the Participant's services as a Director are terminated, and the last such payment will include a cash payment equal to the amount of any excess which it has not been possible to convert into Deferred Shares in accordance with Section 3.2(a) as well as the dividends earned on the undistributed Deferred Shares during the installment payout period.

5.3 In the event of a Participant's death before the balance in his Account is fully paid out, payment of such balance shall be made to the beneficiary or beneficiaries designated by the Participant or, if the Participant has made no such designation or no beneficiary survives, to the Participant's estate. In either case, such payment shall be made in the same manner as provided with respect to payments to the Participant.

5.4 To the extent required by law in effect at the time any distribution is made from the Plan, the Company shall withhold any taxes and such other amounts required to be withheld by Federal, state or local governments. Further, to the extent

required by law, the Company shall report amounts deferred and/or amounts taxable under the Plan to the appropriate governmental authorities, including, without limitation, to the United States Internal Revenue Service.

5.5 If any individual to whom a benefit is payable under the Plan is a minor or legally incompetent, the Company or the Committee shall determine whether payment shall be made directly to the individual, any person acting as his or her custodian or legal guardian under the Uniform Transfers to Minors Act, his or her legal representative or a near relative, or directly for his or her support, maintenance or education. Any payment made in accordance with the preceding sentence shall be a complete discharge of any and all obligations to make such payment under the Plan on behalf of such individual.

5.6 Each Participant and (in the event of death) his or her Beneficiary shall keep the Company advised of his or her current address. If the Company is unable to locate a Participant to whom a Participant's Account is payable under this Section 5, the Participant's Account shall be held in suspense pending location of the Participant, without any prejudice to the Committee or the Company (and each of their respective authorized delegates), as the case may be, including, without limitation, for any additional tax liability resulting from such delay in payment. If the Company is unable to locate a Beneficiary to whom a Participant's Account is payable under this Section 5 within six (6) months (or, with respect to a Participant's Non-Grandfathered Amounts, such other period during which payment must commence under this Section 5 or, if later, such other period permitted under Section 409A of the Code) of the Participant's death, the Participant's Account shall be paid to the Participant's estate.

Section 6. General

6.1 The Company shall establish a rabbi trust (the "Trust") to fund its future liability under the Plan. The Plan terms shall govern the rights of a Participant to receive distributions from the Plan. The Trust terms shall govern the rights of the Company, Participants and the creditors of the Company to the Trust assets. Participants and their beneficiaries shall have no legal or equitable rights, interests or claims in any property or assets of the Company. The right of any Participant or beneficiary to receive payment of any unpaid balance in any Account of the Participant shall be an unsecured claim against the general assets of the Company.

6.2 During a Participant's lifetime, any payment under the Plan shall be made only to him. No sum or other interest under the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge, and any attempt by a Participant or any beneficiary under the Plan to do so shall be void. No interest under the Plan shall in any manner be liable for or subject to the debts, contracts, liabilities, engagements or torts of a Participant or beneficiary entitled thereto.

6.3 Except as otherwise provided herein, the Plan shall be administered by the Committee which shall have the authority, subject to the express provisions of the Plan, to adopt, amend and rescind rules and regulations relating to the Plan, and to interpret, construe and implement the provisions of the Plan. Notwithstanding the foregoing, the Committee shall retain and exercise such discretion reserved hereunder only to the extent such retention and exercise of discretion does not violate the requirements of Section 409A of the Code with respect to a Participant's Non-Grandfathered Amounts.

6.4 The Plan may at any time or from time to time be amended, modified, or terminated by the Board of Directors, provided that no amendment, modification or termination shall (a) adversely affect the balance in a Participant's Deferred Shares Account without his consent or (b) permit payment of such balance prior to the date specified pursuant to Sections 4.1 and 5.2 (except for payments provided in Section 6.5) without his consent.

6.5 If the Plan is terminated pursuant to this Section 6, the balances credited to the Accounts of the affected Participants shall be distributed to them at the time and in the manner set forth in Section 5; provided, however, that the Committee, in its sole discretion, may authorize accelerated distribution of Participants' Accounts as of any earlier date; provided that with respect to Non-Grandfathered Amounts, such discretion reserved to the Committee to accelerate the form and timing of the distribution of Participants' Accounts shall be exercised only to the extent the termination of the Plan arises pursuant to and in accordance with one of the following provisions:

(a) Corporate Dissolution or Bankruptcy. The Plan is terminated and liquidated by the Company within 12 months of a corporate dissolution taxed under Section 331 of the Code, or with the approval of a bankruptcy court pursuant to Section 503(b)(1)(A) of the Bankruptcy Code, provided such amounts are included in the Participants' gross incomes in the latest of the following years (of, if earlier, the taxable year in which such amounts are actually or constructively received) (i) the calendar year in which the Plan is terminated and liquidated, (ii) the first calendar year in which amounts are no longer subject to a substantial risk of forfeiture, or (iii) the first calendar year in which the payment is administratively practicable.

(b) Change of Control Event. The Company takes irrevocable action to terminate and liquidate the Plan within the 30 days before or 12 months after the occurrence of a Change of Control, provided that all other plans sponsored by the Company after the Change of Control with which the Plan is required to be aggregated under Section 409A of the Code are terminated and liquidated with respect to each Participant that experienced the Change of Control, so that all such Participants are required to receive a distribution of the amounts deferred under

the Plan and such aggregated plans within 12 months of the date the Company took such irrevocable action to terminate and liquidate all such aggregated plans.

(c) Termination of All Similar Arrangements. The Plan is terminated and liquidated by the Company, provided (i) the termination and liquidation does not occur proximate to a downturn in the financial health of the Company; (ii) the Company terminates and liquidates all other plans required to be aggregated under Section 409A if the same Company had deferrals of compensation under all such aggregated plans, (iii) no payments are made on account of the terminations (other than payments that would have been payable in the absence of the plan terminations) within 12 months of the date the Company takes irrevocable action to terminate and liquidate all such aggregated plans, (iv) all payments are made within 24 months of the of the date the Company takes irrevocable action to terminate and liquidate all such aggregated plans, and (vi) within three years following the date the Company takes irrevocable action to terminate and liquidate all such aggregated plans, the Company does not establish any new nonqualified deferred compensation plans that would otherwise have been aggregated with the Plan under Section 409A of the Code if the same Participant participated in both plans.

(d) Other. The Plan is terminated and liquidated pursuant to and in accordance such other events and conditions prescribed under Section 409A of the Code.

6.6 The Company shall, and hereby does, indemnify and hold harmless the Committee, the Company, and the members of the Committee (and each of their respective authorized delegates), from and against any and all losses, claims, damages or liabilities (including attorneys' fees and amounts paid in settlement of any claim) arising out of or resulting from the implementation of a duty, act or decision with respect to the Plan, so long as such duty, act or decision does not involve gross negligence or willful misconduct on the part of the Committee, the Company, or any such member of the Committee.

Exhibit 10.10(c)

AMENDMENT TO
ACTUANT CORPORATION
CHANGE IN CONTROL AGREEMENT
FOR
DAVID L. SCHEER

This Amendment is made as of July 23, 2013 (the "Effective Date") between Actuant Corporation (the "Corporation"), a Wisconsin corporation and David L. Scheer (the "Executive").

WHEREAS the Corporation and the Executive wish to amend the Change in Control Agreement between the Corporation and the Executive dated April 30, 2012 (the "Agreement");

THEREFORE, the Corporation and the Executive hereby amend the Agreement as follows:

1. Section 2(a)(iv) of the Agreement is hereby amended to replace the period at the end thereof with a semicolon and to insert "or" after the semicolon.

2. Section 2(a) of the Agreement is hereby amended by adding at the end thereof the following:

(v) the date that any one person or more than one person acting as a group (as defined in paragraph (i)(5)(v)(B) of Treasury Regulation Section 1. 409A-3(i)(5)) that is not an affiliate of the Corporation acquires ownership of a majority of the business operations of the Electrical Segment of the Corporation, whether by way of purchase of stock or assets, merger or consolidation or otherwise.

3. Except as set forth above, the Agreement remains unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first above written.

EXECUTIVE:

/s/ David L. Scheer
David L. Scheer

ACTUANT CORPORATION

By: /s/ Sherri Grissom

Title: Executive VP – Human Resources

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Exhibit 10.12

CONFIDENTIAL TREATMENT REQUESTED FOR PORTIONS OF THIS DOCUMENT. PORTIONS FOR WHICH CONFIDENTIAL TREATMENT IS REQUESTED HAVE BEEN MARKED WITH THREE ASTERISKS [* * *] AND A FOOTNOTE INDICATING "CONFIDENTIAL TREATMENT REQUESTED." MATERIAL OMITTED HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMISSION.

Mr. David L. Scheer

Dear David,

Actuant Corporation ("Actuant") appreciates your leadership and professionalism during the process for the proposed sale of its Electrical Segment (the "Sale"). In recognition of your continuing efforts and cooperation, Actuant has developed the arrangements described in this letter.

1. Retention Bonus. Actuant will pay you the amount of $262,500 within five business days after the day of the completion of the Sale (the "Closing Date") provided that you have continued as an employee of Actuant to the Closing Date. In addition, Actuant will pay you the amount of $87,500 within five days after the 180th day following the Closing Date, provided that you have continued as an employee of the acquiror in the Sale. In the event that your employment by such acquiror is terminated by the acquiror prior to such 180th day other than as a result of your misconduct or other good cause, Actuant will pay you this amount within five business days of notice of such termination.

2. Business Performance Bonus. You will be eligible for a bonus based on the performance of the Electrical segment relative to its financial forecast for fiscal year 2013 as set forth in this paragraph 2, provided that you have continued as an employee of Actuant to the Closing Date (the "Performance Bonus"). Promptly following the completion of the Sale, Actuant will calculate the earnings before interest, taxes, depreciation and amortization of the Electrical Segment for the period September 2012 - August 31, 2013, on an as reported basis and consistent with Actuant's practices ("EBITDA"). The amount of Performance Bonus which Actuant will pay to you will be determined as follows:

If EBITDA is:	then Performance Bonus Amount is:
[* * *]	$ 0
[* * *]	$ 62,500 (25%)
[* * *]	$125,000 (50%)
[* * *]	$187,500 (75%)
[* * *]	$250,000 (100%)

*Amounts will be interpolated between performance levels

3. Additional Performance Bonus. You will be eligible for an additional performance bonus based on the performance of the Electrical Segment as reflected in the cash proceeds received by Actuant from the Sale on the Closing Date [net of retained liabilities of the Electrical Segment and Sale-related expenses] (the "Sale Proceeds") as set forth in this paragraph 3 (the "Sale Bonus"), provided that you have continued as an employee of Actuant to the Closing Date. The amount of this Additional Performance Bonus which Actuant will pay to you will be determined as follows:

If the Sales Proceeds are:	then the Sale Bonus Amount is:
[* * *]	$0
[* * *]	$100,000
[* * *]	$150,000
[* * *]	$200,000
[* * *]	$250,000
[* * *]	$300,000
[* * *]	$350,000
[* * *]	$400,000
[* * *]	$450,000
[* * *]	$500,000

*Amounts will be interpolated between performance targets

4. Bonus Payments. Any Performance Bonus and Additional Performance Bonus to which you become entitled hereunder will be payable as follows: (i) 75% of such amount within five business days after the Closing Date and 25% of such amount within 5 days after the 180th day following the Closing Date, provided that you have continued as an employee of the acquiror in the Sale. In the event that your employment by such acquiror is terminated by the acquiror prior to such 180th day other than as a result of your misconduct or other good cause, Actuant will pay you this amount within five business days of notice of such termination.

5. Actuant Equity Awards. If so approved by the Compensation Committee of the Board of Directors of Actuant, on the Closing Date, Actuant will accelerate the vesting of any Actuant stock options and restricted stock units that you own, provided that you have continued as an employee of Actuant to the Closing Date.

* * * Confidential Treatment Requested

6. Change in Control Agreement. The Change in Control Agreement between you and Actuant, dated April 30, 2012, remains in effect, subject to the Amendment in Attachment A hereto. None of the Retention Bonus, Performance Bonus or Sale Bonus will be included in "salary", "annual bonus" or "annual incentive compensation" for purposes of Section 2(c) of the Change in Control Agreement.

7. Withholding. Actuant may withhold from any amounts payable hereunder such federal, state, local or foreign taxes as shall be required pursuant to any applicable law or regulation.

8. Miscellaneous. Nothing in this letter shall be deemed to modify your "at will" employment by Actuant or that your employment may be terminated by Actuant at any time.

Please acknowledge your understanding of and agreement to the terms of this letter.

ACTUANT CORPORATION

By: /s/ Mark Goldstein

Acknowledged and Agreed:

/s/ David L. Scheer

David L. Scheer

Attachment A

Amendment to Actuant Corporation Change in Control Agreement for David L. Scheer

(see attached)

Exhibit 10.13

[Actuant Letterhead]

May 13, 2013

Mr. Guus Boel
[address]

Subject: Consulting Services Agreement

Dear Guus,

As we have discussed, Actuant Corporation ("Company") is excited to engage your services as a consultant following your retirement from the Company and the Board of Directors. The following, which is subject to your agreement, sets forth our proposed agreement ("Agreement"):

Services	Subject to the terms and conditions set forth below, the Company will engage you to provide consulting services ("Services") for the benefit of the Company in the areas of (i) Supply European Leader Coordination, (ii) Targeted Executive Coaching, (iii) Continued LEAD Insight, and (iv) Strategic Insight and Feedback. In performing the Services, you will (i) interact with the Company's Chief Executive Officer and select business leaders via phone, internet and select one-on-one meetings on an as-needed basis, and (ii) participate in up to four (4) annual trips to the United States for meetings or site visits as deemed necessary by prior agreement between the parties. In addition, you may possibly participate in due diligence reviews and site visits in Europe.
Term and Termination	The term of this Agreement will begin on February 1, 2014 and terminate on August 1, 2014. Thereafter, this Agreement will automatically renew for successive terms of six-months each (each, a "Renewal Term"), unless either party gives written notice of termination to the other party at least sixty (60) days prior to the expiration of the then-current term. Notwithstanding the foregoing, either party may terminate this Agreement during any Renewal Term by giving the other party at least sixty (60) days prior written notice.
Compensation	As compensation for performing the Services, the Company will pay you $25,000 USD per calendar quarter ("Quarterly Fee") and reimburse you for reasonably incurred travel and expenses. To receive payment, you will submit your travel expenses, supporting documentation, and an invoice for your Quarterly Fee to the Company on a quarterly basis.
Bonuses	You will not be eligible for any bonus payments from the Company during the term of this Agreement and acknowledge that you will not receive any bonus payment from the Company for the period of September 1, 2013 through February 2, 2014.
Reports and Access	During the term of this Agreement, you will be authorized to (i) use any email address provided to you by the Company, (ii) electronically access such files and servers of the Company which are necessary for you to furnish the Services, (iii) receive administrative support in the areas of expense reporting, document preparation, and travel planning, (iv) participate in select leadership meetings, and (v) receive Company reports and strategic plan information.

Computer	During the term of this Agreement, you will have use of a computer which is provided by the Company. Upon termination of this Agreement, you will promptly return the computer to the Company.
Non-Competition	During the term of this Agreement, you agree to not accept employment with, provide services to, or otherwise engage in any work or business activity for any company that is a competitor or direct or indirect customer of the Company insofar as such employment, services, work or business may involve or be closely related to the Services, or where any third party which competes with the Company might be benefited by the Services rendered or information gained by you under this Agreement.
Independent Contractor	Both parties acknowledge the following: • You will have complete control of the means, manner, and the method by which you perform the Services and the times at which the Services will be performed, including determining your work and travel schedule. • Subject to the Non-Competition restrictions set forth above, you are free to perform services for any other entity or business and are not required to devote your full time and energy to the performance of the Services. • This Agreement will not be understood or construed to indicate any relationship between you and the Company other than that of an independent contractor. • As an independent contractor, you will not be eligible to participate in any Company sponsored pension, retirement, health, welfare, or benefit plans. • You will be responsible for payment of business and/or self-employment taxes, if any, and the Company will not be responsible for reimbursement of your business and/or self-employment tax liability with respect to the Services performed under this Agreement.
Effects of Termination	Upon termination of this Agreement, (i) the Company will pay you for the Services you have performed as of the effective date of the termination, (ii) you will promptly return to the Company all documents, information, and papers, which you develop or come to possess during the performance of the Services that relate to or are part of the Company's business matters, and (iii) you will promptly stop using Company email and accessing any Company files and servers.
Applicable Law	This Agreement will be governed by the laws of the State of Wisconsin.
Entire Agreement	This Agreement contains the entire understanding of the parties and may be modified only by the mutual written consent of the parties.

If you are in agreement with all of the terms set forth above, please sign both copies of this Agreement where indicated below and return one copy to me at your earliest convenience.

Sincerely,

/s/ Mark Goldstein
Mark Goldstein
Chief Operating Officer

Agreed to this __17__ day of May, 2013

/s/ Guus Boel
Guus Boel

N86 W12500 Westbrook Crossing | Menomonee Falls, WI 53051 | P: 262-293-1506 | F: 262-293-7039

Exhibit 10.14

[Actuant Letterhead]

March 4, 2013

Mr. William Axline
[address]

Re: Consulting Agreement

Dear Bill,

As we have discussed, Actuant Corporation ("Company") is excited to engage your services as a consultant following your retirement from the Company on March 31, 2013. The following, which is subject to your approval, sets forth our proposed agreement:

Term and Termination	The term of this Agreement will begin on April 1, 2013 and end on March 31, 2014. Notwithstanding the foregoing, either party may terminate this Agreement at any time upon thirty (30) days prior written notice.
Consulting Services	Subject to the terms and conditions set forth in this Agreement, the Company will retain you as a consultant to assist the Company with those activities and projects requested by the Company from time to time ("Consulting Services"). All Consulting Services will be clearly defined in a written Scope of Work and will be subject to the mutual acceptance of both parties. In performing the Consulting Services, you will at all times be acting as an independent contractor.
Compensation	As compensation for performing the Consulting Services, the Company will pay you $1,000 per day and reimburse you for reasonably incurred travel and expenses. To receive payment, you will invoice the Company on a quarterly basis and include appropriate documentation substantiating your expenses. It is understood by the parties that de minimis activities, such as short phone calls, will be included in the daily compensation and will not be billed separately.
Non-Disclosure	Except as expressly authorized by the Company in writing, at no time during the term of this Agreement and at no time after its termination, will you publish, disclose or otherwise make known any information concerning the Company, its business, or its relationships with customers, which you became aware of in the course of performing the Consulting Services.
Non-Competition	During the term of this Agreement and for the one-year period after its termination, you agree to not accept employment with, provide services to, or otherwise engage in any work or business activity for any company that is a competitor or direct or indirect customer of the Company insofar as such employment, services, work or business may involve or be closely related to the services provided by you under this Agreement, or where any third party which competes with the Company in the field of this Agreement might be benefited by the services rendered or information gained by you under this Agreement.
Applicable Law	This Agreement will be governed by the laws of the State of Wisconsin.

If you are in agreement with all of the terms set forth above, please sign both copies of this Agreement where indicated below and return one copy to me at your earliest convenience.

Sincerely yours,

/s/ Mark Goldstein
Mark Goldstein
Chief Operating Officer

Agreed to this ___7th___ day of March, 2013.

/s/ William Axline
William Axline

Exhibit 21

NAME OF SUBSIDIARY:	STATE/COUNTRY OF INCORPORATION:
Hydratight Angola Lda	Angola
Actuant Australia Pty Ltd.	Australia
Hydratight (Asia Pacific) Pty Ltd.	Australia
Viking SeaTech (Australia) Pty Limited	Australia
Jeyco (1992) Pty Ltd	Australia
D.L. Ricci Australia Holding, LLC.	Australia
Hydratight Equipamentos e Servicos Ltda.	Brazil
Power Packer do Brazil LTDA	Brazil
Turotest Medidores LTDA	Brazil
Actuant Canada Corporation	Canada
Actuant Changchun Co. Ltd.	China
Actuant China Industries Co. Ltd.	China
Actuant China Ltd.	China
Actuant Shanghai Trading Co. Ltd.	China
Electrical Holdings, LLC	Delaware
Acme Electric Mexico Holdings I, Inc.	Delaware
Acme Electric Mexico Holdings II, Inc.	Delaware
Hydratight Operations, Inc.	Delaware
Versa Technologies, Inc.	Delaware
Actuant International Holdings, Inc.	Delaware
Gits Mfg. Co.	Delaware
Precision Sure-Lock, Inc.	Delaware
Maxima Holding Company Inc.	Delaware
Maxima Technologies & Systems, LLC.	Delaware
Maxima Holdings Europe, Inc	Delaware
Sanlo, Inc	Delaware
Cortland Company, Inc	Delaware
Actuant Holdings, LLC	Delaware
ASCP Weasler Holdings, Inc.	Delaware
Weasler Engineering, Inc	Delaware
Weasler Engineering (Europe), Inc	Delaware
Actuant UK Holdings, LLC	Delaware
GB Tools and Supplies LLC	Delaware
Hydratight FZ LLC	Dubai
CrossControl OY	Finland
Actuant France SAS	France
Hydratight SAS	France
Yvel SAS	France
Actuant Europe Holdings SASU	France
Actuant France Holdings SASU	France
Mastervolt SARL	France
CPS Convertible Power Systems GmbH	Germany
Enerpac GmbH	Germany
Hydratight Injectaseal Deutschland GmbH	Germany
Mastervolt GmbH	Germany
Actuant Global Sourcing, Ltd	Hong Kong

NAME OF SUBSIDIARY:	STATE/COUNTRY OF INCORPORATION:
Actuant International Services, Ltd	Hong Kong
Mastervolt Asia Ltd	Hong Kong
Actuant Hungary Kft.	Hungary
ATU Hungary Holding Kft	Hungary
Weasler Engineering Kft	Hungary
Actuant Hungary Holdings Kft	Hungary
Actuant India Pvt Ltd	India
Enerpac Hydraulics (India) Pvt Limited	India
Engineered Solutions LP	Indiana
PT Viking SeaTech Indonesia	Indonesia
Enerpac SpA	Italy
Mastervolt International S.R.L	Italy
Applied Power Japan Ltd.	Japan
MT&S Europe, S.a.r.l	Luxembourg
CrossControl Sdn Bhd	Malaysia
Mastervolt Inc	Maryland
Acme Electric de Mexico S. De. R.L. de C.V.	Mexico
Acme Electric Manufacturing de Mexico S. De. R.L. de C.V.	Mexico
Hydatight de Mexico S De. R.L. de C.V.	Mexico
Servicios Acme de Mexico S. De. R.L. de C.V.	Mexico
Instrumentos Stewart Warner de Mexico S.A. de C.V.	Mexico
Actuant Europe CV	Netherlands
Actuant Finance CV	Netherlands
Applied Power Europa BV	Netherlands
ATU Benelux BV	Netherlands
Enerpac BV	Netherlands
Hydratight BV	Netherlands
Power Packer Europa BV	Netherlands
ATU Global Holdings BV	Netherlands
ATU Global Holdings II BV	Netherlands
ATU Global Holdings III BV	Netherlands
ATU Euro Finance BV	Netherlands
ATU Global Holdings CV	Netherlands
Weasler Engineering B.V	Netherlands
Mastervolt International Holding BV	Netherlands
Mastervolt International BV	Netherlands
Mastervolt BV	Netherlands
Enerpac Integrated Solutions B.V	Netherlands
Actuant Investments, Inc.	Nevada
Applied Power Investments II, Inc.	Nevada
BW Elliott Mfg. Co., LLC	New York
Actuant Electrical, Inc.	New York
BEP Marine Ltd.	New Zealand
Hydratight Norge AS	Norway
Selantic AS	Norway
Viking SeaTech Group AS	Norway
Viking SeaTech Holdings AS	Norway
Viking SeaTech Norge AS	Norway
Actuant LLC	Russia

NAME OF SUBSIDIARY:	STATE/COUNTRY OF INCORPORATION:
Actuant Asia Pte. Ltd.	Singapore
Enerpac Asia Pte. Ltd.	Singapore
Hydratight Pte. Ltd.	Singapore
Enerpac Integrated Solutions Pte. Ltd	Singapore
Viking SeaTech Holdings (Singapore) Pte Limited	Singapore
Viking SeaTech People (Singapore) Pte Limited	Singapore
Viking SeaTech (Singapore) Pte Limited	Singapore
Enerpac Africa (Pty) Ltd	South Africa
Actuant Korea Ltd.	South Korea
Power Packer Espana SA	Spain
Maxima Spain Holdings, S.L.	Spain
Maxima Technologies, S.L.	Spain
Enerpac Spain, S.L.	Spain
Mastervolt Spain SL	Spain
Actuant Holdings AB	Sweden
Actuant Sweden Handelsbolag	Sweden
CrossCo Investment AB	Sweden
CrossControl AB	Sweden
Enerpac Scandinavia AB	Sweden
PSL Holdings, Inc.	Texas
Hydratight Ltd.	Trinidad
Ergun Hidrolik Sanayi VE Ticaret A.S.	Turkey
Actuant Energy Ltd.	UK
Actuant International Ltd.	UK
Actuant Ltd.	UK
Energise IT Ltd.	UK
Enerpac Ltd.	UK
Hedley Purvis Group Ltd.	UK
Hedley Purvis Holdings Ltd.	UK
Hedley Purvis International Ltd.	UK
Hydratight Ltd.	UK
Hedley Purvis Ventures Ltd.	UK
Hydratight Operations, Ltd.	UK
Actuant Finance Ltd	UK
D.L. Ricci Ltd.	UK
Cortland Fibron BX Ltd.	UK
Cortland UK Holdings Ltd.	UK
Actuant Acquisitions Ltd.	UK
Mastervolt UK Ltd.	UK
Venice Fundco Ltd.	UK
Venice Topco Ltd.	UK
Viking Moorings Group Ltd.	UK
Viking Moorings Holdings Ltd.	UK
Viking SeaTech Ltd.	UK
Viking SeaTech People (UK) Ltd.	UK
Enerpac Middle East FZE	United Arab Emirates

EXHIBIT 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-179006) and Form S-8 (Nos. 333-53702, 333-53704, 333-89068, 333-102523, 333-102524, 333-112008, 333-118811, 333-131186, 333-131187, 333-156734, 333-179007, 333-186146, 333-164304 and 333-164303) of Actuant Corporation of our report dated October 25, 2013 relating to the financial statements, financial statement schedule and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
Milwaukee, Wisconsin
October 25, 2013

Exhibit 31.1

CERTIFICATION

I, Robert C. Arzbaecher, certify that:

1. I have reviewed this annual report on Form 10-K of Actuant Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluations; and
    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting

Date: October 25, 2013

/s/ Robert C. Arzbaecher

Robert C. Arzbaecher
Chairman and Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Andrew G. Lampereur, certify that:

1. I have reviewed this annual report on Form 10-K of Actuant Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting

Date: October 25, 2013

/s/ Andrew G. Lampereur

Andrew G. Lampereur
Executive Vice President and
Chief Financial Officer

Exhibit 32.1

WRITTEN STATEMENT OF THE CHIEF EXECUTIVE OFFICER

Pursuant to 18 U.S.C. ss.1350, I, the undersigned Chairman and Chief Executive Officer of Actuant Corporation (the "Company"), hereby certify, based on my knowledge, that the Annual Report on Form 10-K of the Company for the annual period ended August 31, 2013 (the "Report") fully complies with the requirements of Sections 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the periods covered in the Report.

Date: October 25, 2013

/s/ Robert C. Arzbaecher

Robert C. Arzbaecher

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Actuant Corporation and will be retained by Actuant Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished to the Securities and Exchange Commission as an exhibit to the Form 10-K and shall not be considered filed as part of the Form 10-K.

Exhibit 32.2

WRITTEN STATEMENT OF THE CHIEF FINANCIAL OFFICER

Pursuant to 18 U.S.C. ss.1350, I, the undersigned Executive Vice President and Chief Financial Officer of Actuant Corporation (the "Company"), hereby certify, based on my knowledge, that the Annual Report on Form 10-K of the Company for the annual period ended August 31, 2013 (the "Report") fully complies with the requirements of Sections 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the periods covered in the Report.

Date: October 25, 2013

/s/ Andrew G. Lampereur

Andrew G. Lampereur

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Actuant Corporation and will be retained by Actuant Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished to the Securities and Exchange Commission as an exhibit to the Form 10-K and shall not be considered filed as part of the Form 10-K.