

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 8-K**

**Current Report**

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

Date of Report (date of earliest event reported): **October 18, 2013**

**ALLIED MOTION TECHNOLOGIES INC.**

(Exact Name of Registrant as Specified in its Charter)

**Colorado**  
(State or Other Jurisdiction  
of Incorporation)

**0-04041**  
(Commission File Number)

**84-0518115**  
(IRS Employer  
Identification No.)

**455 Commerce Drive, Suite 4  
Amherst, New York 14228**  
(Address of Principal Executive Offices, including zip code)

**(716) 242-8634**  
(Registrant's telephone number, including area code)

**Not Applicable**  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

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

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**Item 1.01 Entry into a Material Definitive Agreement**

Revolving Credit Facility and Term Loan

In connection with the funding of the acquisition of Globe Motors, Inc. described in Item 2.01 below, Allied Motion Technologies Inc. and certain subsidiaries (the "Company"), entered into a Credit Agreement (the "Credit Agreement") dated as of October 18, 2013. The Credit Agreement provides for a \$15 million five-year revolving credit facility (the "Revolver") and a \$50 million five-year term loan (the "Term Loan" and together with the Revolver, the "Senior Credit Facilities"). Bank of America, N.A. is the administrative agent and HSBC Bank USA, National Association is the syndication agent for the Senior Credit Facilities. Merrill Lynch Pierce Fenner & Smith Incorporated and HSBC Bank USA, National Association are joint lead arrangers and joint bookrunners.

Borrowings under the Senior Credit Facilities will bear interest at the Base Rate (as defined in the Credit Agreement) plus a margin of 0.25% to 2.00% or the Eurocurrency Rate (as defined in the Credit Agreement) plus a margin of 1.25% to 3.00%, in each case depending on the Company's ratio of total funded indebtedness (as defined in the Credit Agreement) to Consolidated EBITDA (the "Total Leverage Ratio"). The Senior Credit Facility initially bears interest at 4.75% at October 18, 2013. In addition, the Company is required to pay a commitment fee of between 0.125% and 0.30% quarterly (currently 0.25%) on the unused portion of the Revolver, also based on the Company's Total Leverage Ratio. Principal installments are payable on the Term Loan in varying percentages quarterly through September 30, 2018 with a balloon payment at maturity and with mandatory prepayments being required in certain circumstances. The Senior Credit Facilities are secured by substantially all of the Company's assets and are fully and unconditionally guaranteed by certain of the Company's subsidiaries.

Financial covenants under the Credit Agreement require the Company to maintain a minimum fixed charge coverage ratio of at least 1.25:1.0 at the end of each fiscal quarter. In addition, the Company's Total Leverage Ratio at the end of any fiscal quarter shall not be greater than 4.0:1.0 through September 30, 2014, 3.0:1.0 through September 30, 2015, 2.5:1.0 through September 30, 2016 and 2.25:1.0 thereafter. The Credit Agreement also includes covenants and restrictions that limit the level of capital expenditures and limit the Company's ability to incur additional indebtedness, merge, consolidate or sell all or

substantially all of its assets and enter into transactions with an affiliate of the Company on other than an arms' length transaction. These covenants, which are described more fully in the Credit Agreement, to which reference is made for a complete statement of the covenants, are subject to certain exceptions.

The Credit Agreement also includes customary events of default, including failure to pay principal, interest or fees when due, failure to comply with covenants, if any representation or warranty made by the Company is false or misleading in any material respect, default under certain other indebtedness, certain insolvency or receivership events affecting the Company and its subsidiaries, the occurrence of certain material judgments, the occurrence of certain ERISA events, the invalidity of the loan documents or a change in control of the Company. The amounts outstanding under the Senior Credit Facilities may be accelerated upon certain events of default.

The above description does not purport to be complete and is qualified in its entirety by reference to the Credit Agreement, which is filed as Exhibit 10.1 to this Current Report on Form 8-K.

#### 14.50% Senior Subordinated Notes Due October 18, 2019

Also in connection with the funding of the acquisition of Globe Motors, Inc., the Company entered into a Note Agreement, dated as of October 18, 2013 (the "Note Agreement") pursuant to which the Company sold \$30 million of 14.50% Senior Subordinated Notes due October 18, 2019 (the "Notes") to Prudential Capital Partners IV, L.P. and its affiliates in a private placement.

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The interest rate on the Notes is 14.50% with 13.00% payable in cash and 1.50% payable in-kind, quarterly in arrears, and the outstanding principal amount of the Notes, together with any accrued and unpaid interest is due on October 18, 2019. The Company may prepay the Notes at any time after October 18, 2016, in whole or in part, at 100% of the principal amount so prepaid plus accrued interest. The Notes are unsecured obligations of the Company and are fully and unconditionally guaranteed by certain of the Company's subsidiaries.

The Note Agreement contains customary covenants that are substantially similar to the covenants in the Credit Agreement, however the financial covenants under the Note Agreement require the Company to maintain a minimum fixed charge coverage ratio of at least 1.05:1.0 at the end of each fiscal quarter and the Company's Total Leverage Ratio at the end of any fiscal quarter shall not be greater than 4.5:1.0 through September 30, 2014, 3.5:1.0 through September 30, 2015, 3.0:1.0 through September 30, 2016 and 2.75:1.0 thereafter.

The Note Agreement also includes customary events of default that are substantially similar to the events of default in the Credit Agreement. The amounts outstanding under the Notes may be accelerated upon certain events of default. A Yield Maintenance Amount may also be due if the acceleration of the principal amount due to an event of default occurs prior to October 18, 2016. The Yield Maintenance Amount is equal to the excess, if any, of the discounted value of the called principal with respect to the Notes over the sum of the called principal plus accrued interest as of the settlement date.

The above description does not purport to be complete and is qualified in its entirety by reference to the Note Agreement, which is filed as Exhibit 10.2 to this Current Report on Form 8-K.

#### **Item 1.02 Termination of a Material Definitive Agreement**

The Senior Credit Facilities replaced the Company's Credit Agreement dated as of May 7, 2007, as amended, among the Company, JPMorgan Chase Bank, N.A., as administrative agent and the lenders party thereto (the "Prior Credit Agreement"). The Prior Credit Agreement was scheduled to mature on October 26, 2014 and provided revolving credit up to \$4 million and €3 million. No amounts were outstanding under the Prior Credit Agreement at the time of termination.

#### **Item 2.01 Completion of Acquisition or Disposition of Assets**

As previously disclosed, the Company entered into a Stock Purchase Agreement (the "Purchase Agreement") to purchase all of the outstanding equity interests of Globe Motors, Inc., a Delaware corporation ("Globe Motors") from Safran USA, Inc. A copy of the Purchase Agreement was filed as Exhibit 2.1 to the Company's Current Report on Form 8-K filed on August 28, 2013.

On October 18, 2013, the Company completed the acquisition for approximately \$90 million in cash. The purchase price is subject to post-closing adjustment to reflect, among other things, the working capital and cash on hand of Globe Motors at the time of closing.

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

The disclosure set forth in Item 1.01 above is incorporated in this Item 2.03 by reference.

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

As previously disclosed, Compensation Committee of the Company's Board of Directors approved a five year pay-for-performance long-term incentive program ("LTIP") under which the Chief Executive Officer and Chief Financial Officer will be awarded shares based upon the achievement of an increase in sales over the five years ending December 31, 2017. The increase in sales can be achieved in two ways — organic sales growth and acquired sales (defined as the actual sales achieved by any company or business unit acquired by the Company for the trailing twelve months immediately preceding the closing date of such acquisition). For organic sales growth, shares will be awarded annually at the first meeting of the Board of Directors held after the end of the current year based on the actual increase in sales achieved over the prior year. For acquired sales, shares will be awarded on the closing date of the acquisition. Additional information regarding the LTIP was previously disclosed in the Company's proxy statement for the 2013 Annual Meeting.

In connection with the closing of the acquisition of Globe Motors, Inc. on October 18, 2013, the Company awarded 225,232 shares of restricted stock to Richard S. Warzala, Chief Executive Officer, and 23,073 shares of restricted stock to Robert P. Maida, Chief Financial Officer. The restricted shares will vest annually (1/5 each year) over the five-year period following closing of the acquisition.

**Item 7.01 Regulation FD Disclosure**

The Company issued a press release on October 21, 2013 regarding the completion of the acquisition of Globe Motors, Inc., a copy of which is attached as Exhibit 99.1 to this Current Report on Form 8-K.

The information in this Item 7.01, including the information attached hereto as Exhibit 99.1, is being furnished, not filed, pursuant to Regulation FD. Accordingly, such information will not be incorporated by reference into any registration statement filed by Allied Motion Technologies Inc. under the Securities Act of 1933, as amended, unless specifically identified therein as being incorporated therein by reference.

**Item 9.01 Financial Statements and Exhibits**

(a) Financial Statements of Businesses Acquired.

The financial statements required to be filed as part of this Current Report will be filed pursuant to an amendment to this Current Report not later than 71 days after this Current Report is required to be filed.

(b) Pro Forma Financial Information.

The pro forma financial information required to be filed as part of this Current Report will be filed pursuant to an amendment to this Current Report not later than 71 days after this Current Report is required to be filed.

(c) Shell Company Transactions.

Not applicable.

(d) Exhibits.

10.1 Credit Agreement, dated as of October 18, 2013, among Allied Motion Technologies Inc. and Allied Motions Technologies B.V., as borrowers, Bank of America, N.A., as administrative agent, HSBC Bank USA, National Association, as syndication agent and the lenders party thereto.

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10.2 Note Agreement, dated as of October 18, 2013, among Allied Motion Technologies Inc. and the purchasers of the notes party thereto.  
99.1 Press Release issued by Allied Motion Technologies Inc. on October 21, 2013

**SIGNATURES**

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

Date: October 23, 2013

**ALLIED MOTION TECHNOLOGIES INC.**

By: /s/ Robert P. Maida  
Robert P. Maida  
Chief Financial Officer

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**CREDIT AGREEMENT**

Dated as of October 18, 2013

among

**ALLIED MOTION TECHNOLOGIES INC. and****ALLIED MOTION TECHNOLOGIES B.V.**

as Borrowers,

**BANK OF AMERICA, N.A.,**

as Administrative Agent

**HSBC BANK USA, NATIONAL ASSOCIATION**

as Syndication Agent

and

The Other Lenders Party Hereto,

**MERRILL LYNCH PIERCE FENNER & SMITH INCORPORATED**and **HSBC BANK USA, NATIONAL ASSOCIATION**

as

Joint Lead Arrangers and Joint Book Runners

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## **EXHIBITS**

A	Revolving Loan Notices
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E	Assignment and Assumption Agreement
F	General Security Agreement

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H	Omnibus Agreement - Deed of Pledge and Movable Property
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## CREDIT AGREEMENT

This CREDIT AGREEMENT (“Agreement”) is dated as of October 18, 2013, ALLIED MOTION TECHNOLOGIES INC., a Colorado corporation (the “Company”), ALLIED MOTION TECHNOLOGIES B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under Dutch law, having its seat (*statutaire zetel*) in Dordrecht, The Netherlands, and registered with the Dutch Commercial Register (*Handelsregister*) under number 24365775 (“Allied B.V.” and together with the Company, the “Borrowers” and, each a “Borrower”), each lender from time to time party hereto (collectively, the “Lenders” and individually, a “Lender”), BANK OF AMERICA, N.A., as Administrative Agent, and L/C Issuer, and HSBC BANK USA, NATIONAL ASSOCIATION, as Syndication Agent.

In consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

### ARTICLE I

#### DEFINITIONS AND ACCOUNTING TERMS

**1.01 Defined Terms.** As used in this Agreement, the following terms shall have the meanings set forth below:

“Acquisition” means the purchase by the Company of all of the outstanding shares of Globe Inc., as contemplated by the Stock Purchase Agreement.

“Acquisition Documents” means the Stock Purchase Agreement and all other agreements, documents and instruments delivered in connection therewith to which a Loan Party is a party thereunder, including all exhibits and schedules thereto, as the same may be amended, modified and/or supplemented from time to time in accordance with the terms hereof and thereof.

“Administrative Agent” means Bank of America in its capacity as administrative agent under any of the Loan Documents, or any successor administrative agent.

“Administrative Agent’s Office” means, with respect to any currency, the Administrative Agent’s address and, as appropriate, account as set forth on Schedule 10.02 with respect to such currency, or such other address or account with respect to such currency as the Administrative Agent may from time to time notify to the Company and the Lenders.

“Administrative Questionnaire” means an Administrative Questionnaire in a form supplied by the Administrative Agent.

“Advance Funding Arrangements” means any arrangements requested by the Company and acceptable to the Administrative Agent in its sole discretion for the delivery of funds by Lenders to or for the account of the Administrative Agent for safekeeping pending their delivery

by the Administrative Agent to the Company on the Closing Date to fund Loans of such Lenders on such date.

“Advance Funding Documentation” means such deposit account documentation, securities account agreements, custodial agreements, security agreements, funding indemnities or other documentation as the Administrative Agent may reasonably require in connection with Advance Funding Arrangements.

“Affiliate” means, with respect to any Person, any other Person that directly or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified, except that a Subsidiary of the Company shall not be an Affiliate of the Company.

“Agency Fee Letter” means collectively, the letter agreements dated as of August 21, 2013 among the Administrative Agent, the Company and the Syndication Agent.

“Aggregate Commitments” means the Commitments of all the Lenders.

“Aggregate Revolving Loan Commitments” means the Revolving Loan Commitments of the Lenders, which initially shall be in the amount of \$15,000,000 or the Alternative Currency Equivalent thereof.

“Aggregate Term Loan Commitments” means the Term Loan Commitments of all the Lenders, which initially shall be in the amount of \$50,000,000 or the Alternative Currency Equivalent thereof.

“Agreement” means this Credit Agreement.

“Agreement Currency” has the meaning specified in Section 10.19.

“Allied AB” means Allied Motion Stockholm AB, a Swedish corporation.

“Allied B.V.” has the meaning specified in the introductory paragraph hereto.

“Allied B.V. Security Agreements” means each deed of pledge and security agreement from Allied B.V. to the Administrative Agent.

“Allied Corp.” means Allied Motion Control Corporation, a Colorado corporation.

“Alternative Currency” means Euro or Krona together with each other currency (other than Dollars) approved in accordance with Section 1.09.

“Alternative Currency Equivalent” means, at any time, with respect to any amount denominated in Dollars, the equivalent amount thereof in the applicable Alternative Currency as determined by the Administrative Agent, as the case may be, at such time on the basis of the Spot Rate (determined in respect of the most recent Revaluation Date) for the purchase of such Alternative Currency with Dollars.

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“AMOT I” means AMOT I, Inc., a Delaware corporation.

“AMOT II” means AMOT II, Inc., a Delaware corporation.

“AMOT III” means AMOT III, Inc., a Delaware corporation.

“Annualized” means, in connection with determining the denominator of the Fixed Charge Coverage Ratio and the Leverage Ratio, for the first three (3) complete fiscal quarters ending after the Funding Date, taking the actual result or calculation for each full fiscal quarter after the Funding Date, and through the date of determination and multiplying it by a fraction, the numerator of which is four (4) and the denominator of which is the number of full fiscal quarters that have elapsed since the Funding Date.

“Applicable Foreign Loan Party Documents” has the meaning specified in Section 5.24(a).

“Applicable Percentage” means, with respect to any Lender at any time, the percentage (carried out to the ninth decimal place) of the Aggregate Commitments represented by such Lender’s Commitment at such time. If the commitment of each Lender to make Loans and the obligations of the L/C Issuer to make L/C Credit Extensions have been terminated pursuant to Section 8.02 or if the Aggregate Commitments have expired, then the Applicable Percentage of each Lender shall be determined based on the Applicable Percentage of such Lender most recently in effect, giving effect to any subsequent assignments. The initial Applicable Percentage of each Lender is set forth opposite the name of such Lender on Schedule 2.01 or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable.

“Applicable Rate” means, from time to time, the following percentages per annum, based upon the Total Leverage Ratio as set forth in the most recent Compliance Certificate received by the Administrative Agent pursuant to Section 6.02(a):

Level	Total Leverage Ratio	Applicable Margin Spread over Eurocurrency Rate	Applicable Margin over Base Rate	Letter of Credit Fee	Unused Fee: Revolver
I	<1.25x	1.25%	0.25%	1.25%	.125%
II	≥1.25x but <2.00x	1.625%	0.625%	1.625%	.175%
III	≥2.00x but <2.75x	2.00%	1.00%	2.00%	.200%
IV	≥2.75 but <3.5x	2.50%	1.50%	2.50%	.250%
V	>3.5x	3.00%	2.00%	3.00%	.300%

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Any increase or decrease in the Applicable Rate resulting from a change in the Total Leverage Ratio shall become effective as of the first Business Day immediately following the date a Compliance Certificate is delivered pursuant to Section 6.02(a); provided, however, that if a Compliance Certificate is not delivered when due in accordance with such Section, then Pricing Level V shall apply as of the first Business Day after the date on which such Compliance Certificate was required to have been delivered, and shall apply until the date which is five Business Days after the Compliance Certificate is delivered, whereupon the applicable Pricing Level shall be determined based on the Total Leverage Ratio set forth in such Compliance Certificate. The Applicable Rate in effect on the Closing Date through the first Business Day immediately following the Compliance Certificate for the fiscal quarter ended December 31, 2013 is estimated to be based upon Pricing Level IV, subject to receipt of the pro forma compliance certificate for September 30, 2013.

“Applicable Time” means, with respect to any borrowings and payments in any Alternative Currency, the local time in the place of settlement for such Alternative Currency as may be determined by the Administrative Agent, as the case may be, to be necessary for timely settlement on the relevant date in accordance with normal banking procedures in the place of payment.

“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.

“Arrangers” means Merrill Lynch Pierce Fenner & Smith Incorporated and HSBC Bank USA, National Association, in their capacities as joint lead arrangers and joint book managers.

“ASC” means an accounting standards codification promulgated by the Financial Accounting Standards Board.

“Assignee Group” means two or more Eligible Assignees that are Affiliates of one another.



“Assignment and Assumption” means an assignment and assumption entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 10.06(b)), and accepted by the Administrative Agent, in substantially the form of Exhibit E or any other form approved by the Administrative Agent.

“Attributable Indebtedness” means, on any date, (a) in respect of any capital lease of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP, and (b) in respect of any Synthetic Lease Obligation, the capitalized amount of the remaining lease payments under the relevant lease that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP if such lease were accounted for as a capital lease.

“Audited Financial Statements” means the audited consolidated balance sheet of the Company and its Subsidiaries for the fiscal year ended December 31, 2012, and the related consolidated statements of income or operations, shareholders’ equity and cash flows for such fiscal year of the Company and its Subsidiaries, including the notes thereto.

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“Availability Period” means the period from and including the Funding Date to the earliest of (a) the Revolving Loan Maturity Date, and (b) the date that the Revolving Loan Commitment is terminated pursuant to Section 8.02.

“Bank of America” means Bank of America, N.A. and its successors.

“Bank Product Obligations” means every obligation of the Company and its Subsidiaries under and in respect of any (a) Swap Contract with the Administrative Agent, any Lender or any Affiliate thereof to which the Company or such Subsidiary is a party or which the Company or such Subsidiary has guaranteed and (b) one or more of the following types of services or facilities extended to the Company or such Subsidiary (or which the Company or such Subsidiary has guaranteed) by the Administrative Agent, any Lender or any Affiliate thereof: (i) credit and purchase cards, (ii) Cash Management Services, and (iii) electronic business-to-business payment arrangements (and any corresponding float financing on accounts payable related thereto).

“Base Rate” means (a) with respect to the Loans made in Dollars, for any day a fluctuating rate per annum equal to the highest of (i) the Federal Funds Rate plus 1/2 of 1%, (ii) the rate of interest in effect for such day as publicly announced from time to time by Bank of America as its “prime rate” and (iii) the Eurocurrency Rate for a one-month Interest Period in effect for such date (or if such date is not a Business Day, the immediately preceding Business Day) plus 1.00% and (b) with respect to the Loans made in Alternative Currency, the Reference Bank Rate plus 1.00%. The “prime rate” is a rate set by Bank of America based upon various factors including Bank of America’s costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in the Base Rate due to a change in any of the foregoing shall take effect at the opening of business on the day specified in the public announcement of such change.

“Base Rate Loan” means a Loan that bears interest based on the Base Rate.

“Base Rate Revolving Loan” means a Revolving Loan that is a Base Rate Loan.

“Borrower” and “Borrowers” each has the meaning specified in the introductory paragraph hereto.

“Borrower Materials” has the meaning specified in Section 6.02.

“Borrowing” means a borrowing under the Term Loan or a Revolving Borrowing, as the context may require.

“Borrowing Base Certificate” means a certificate in the form annexed hereto as Exhibit D, with all blanks appropriately completed, and duly executed on behalf of the Borrowers.

“Borrowing Capacity” means at any time, the net amount determined by taking the lesser of the following amounts:

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(a) the Aggregate Revolving Loan Commitments

or

(b) an amount equal to the sum of: (i) up to 85% of Eligible North American Receivables owed to the Domestic Loan Parties, (ii) the lesser of (A) \$2,500,000 or (B) 80% of Eligible Foreign Receivables owed to the Domestic Loan Parties; (iii) up to 85% of the Eligible Foreign Receivables owed to the Foreign Loan Parties, and (iv) the Inventory Borrowing Base,

and subtracting from the lesser of (a) or (b) above, the sum of (i) all Letters of Credit and (ii) the amount of any reserves established by the Administrative Agent or the Lender, from time to time.

“Business Day” means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, the state where the Administrative Agent’s Office with respect to Obligations denominated in Dollars is located and:

(a) if such day relates to any interest rate settings as to a Eurocurrency Rate Loan denominated in Dollars, any fundings, disbursements, settlements and payments in Dollars in respect of any such Eurocurrency Rate Loan, or any other dealings in Dollars to be carried out pursuant to this Agreement in respect of any such Eurocurrency Rate Loan, means any such day on which dealings in deposits in Dollars are conducted by and among banks in the London interbank eurdollar market;

(b) if such day relates to any interest rate settings as to a Eurocurrency Rate Loan denominated in Euro, any fundings, disbursements, settlements and payments in Euro in respect of any such Eurocurrency Rate Loan, or any other dealings in Euro to be carried out pursuant to this Agreement

in respect of any such Eurocurrency Rate Loan, means a TARGET Day;

(c) if such day relates to any interest rate settings as to a Eurocurrency Rate Loan denominated in a currency other than Dollars or Euro, means any such day on which dealings in deposits in the relevant currency are conducted by and between banks in the London or other applicable offshore interbank market for such currency; and

(d) if such day relates to any fundings, disbursements, settlements and payments in a currency other than Dollars or Euro in respect of a Eurocurrency Rate Loan denominated in a currency other than Dollars or Euro, or any other dealings in any currency other than Dollars or Euro to be carried out pursuant to this Agreement in respect of any such Eurocurrency Rate Loan (other than any interest rate settings), means any such day on which banks are open for foreign exchange business in the principal financial center of the country of such currency.

“Capital Expenditure” means for any period, the aggregate of all expenditures (whether paid in cash or accrued as liabilities and including in all events, Capital Lease Obligations and amounts expended or capitalized under Synthetic Leases but excluding any amount representing

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capitalized interest) of the Company and all Subsidiaries during such period determined on a Consolidated Basis that may properly be classified as capital expenditures in conformity with GAAP, provided that such term shall not include any such expenditure in connection with replacement or repair of assets to the extent that casualty insurance proceeds or the trade-in value of other equipment were used for such expenditure.

“Capital Lease Obligations” of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

“Cash Collateral” has the meaning specified in Section 2.04(g).

“Cash Collateralize” has the meaning specified in Section 2.04(g).

“Cash Management Services” means (a) any services provided from time to time by the Administrative Agent, any Lender or any Affiliate thereof to the Company or any Subsidiary (or guaranteed by the Company or any Subsidiary) in connection with operating, collections, payroll, trust, or other depository or disbursement accounts, including automatic clearinghouse, controlled disbursement, depository, electronic funds transfer, information reporting, lockbox, stop payment, overdraft and/or wire transfer services and (b) corporate credit cards issued any Lender for the Company or any of its Subsidiaries.

“Casualty Event” means, with respect to any property of any Person, any loss of or damage to, or any condemnation or other taking of, such property for which such Person or any of its Subsidiaries receives insurance proceeds, or proceeds of a condemnation award or other compensation.

“Change in Control” means the occurrence of any of the following:

(a) any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, but excluding any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) other than Richard S. Warzala becomes the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, except that a person or group shall be deemed to have “beneficial ownership” of all securities that such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time (such right, an “option right”)), directly or indirectly, of twenty-five percent (25)% or more of the Equity Interests of the Company entitled to vote for members of the board of directors or equivalent governing body of the Company on a fully-diluted basis (and taking into account all such securities that such “person” or “group” has the right to acquire pursuant to any option right); or

(b) during any period of twelve (12) consecutive months, a majority of the members of the board of directors or other equivalent governing body of the Company cease to

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be composed of individuals (i) who were members of that board or equivalent governing body on the first day of such period, (ii) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (iii) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body (excluding, in the case of both clause (ii) and clause (iii), any individual whose initial nomination for, or assumption of office as, a member of that board or equivalent governing body occurs as a result of an actual or threatened solicitation of proxies or consents for the election or removal of one or more directors by any person or group other than a solicitation for the election of one or more directors by or on behalf of the board of directors.

“Change in Law” means the occurrence, after the Closing Date, 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, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or 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 any 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 or issued.

“Closing Date” means October 18, 2013.

“Code” means the Internal Revenue Code of 1986.

“Collateral” means all of the property, rights and interests of the Loan Parties that are or are intended to be subject to the Liens created by the Security Documents.

“Commitment” means, as to each Lender, its obligation to (a) make available its portion of the Term Loan to the Borrowers pursuant to Section 2.01, (b) make Revolving Loans to the Borrowers pursuant to Section 2.02, and (c) purchase participations in L/C Obligations in an aggregate principal amount at any one time outstanding not to exceed the Dollar amount set forth opposite such Lender’s name on Schedule 2.01 or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement.

“Company” has the meaning specified in the introductory paragraph hereto.

“Company Security Agreement” means that certain Security Agreement, dated as of even date herewith, from the Company to the Administrative Agent.

“Compliance Certificate” means a certificate substantially in the form of Exhibit C.

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“Consolidated” or “Consolidated Basis” means, when used with reference to financial statement items of the Company and its Subsidiaries or any other Person, such statements or items on a consolidated basis in accordance with the consolidation principles of GAAP.

“Consolidated EBITDA” means, for any Reference Period and without duplication, (a) Consolidated Net Income for such period, plus (b) to the extent deducted in calculating Consolidated Net Income and without duplication (i) income taxes expensed during such period by the Company and its Subsidiaries, (ii) Interest Expense during such period, (iii) depreciation, amortization and other Non-Cash Charges accrued for such period, (iv) non-cash losses from any Casualty Event, Disposition or discontinued operation during such period, (v) stock compensation expense, (vi) Transaction expenses to the extent such Transaction expenses directly impact Consolidated Net Income under GAAP for the applicable Reference Period, (vii) to the extent applicable to such Reference Period, relocation expenses incurred between January 1, 2013 and June 30, 2013 in an aggregate amount not to exceed \$250,000, and (viii) expenses in connection with the TRW Litigation to the extent the Company is reimbursed for such expenses by the Seller, minus (c) to the extent such items were added in calculating Consolidated Net Income (i) Extraordinary Gains during such period, (ii) gains from any Casualty Event, Disposition, or discontinued operation during such period, (iii) interest income, royalty payments and other income during such period, (vi) Federal, state, local and foreign income tax credits of the Company and its Subsidiaries for such period, and (vii) all non-cash income items for such period; provided, however, for the first four quarters following the Funding Date, Consolidated EBITDA shall be calculated after giving pro forma effect to the Acquisition.

“Consolidated Net Income” means, for any period, for the Company and its Subsidiaries on a consolidated basis in accordance with GAAP, the net income of the Company and its Subsidiaries.

“Continuing Directors” means, as of any date of determination, any member of the Board of Directors of the Company who (a) was a member of the Board of Directors on the Closing Date; or (b) was nominated for election or elected to such Board of Directors with the approval of a majority of the Continuing Directors who were members of such Board of Directors at the time of such nomination or election.

“Contractual Obligation” means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

“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.

“Credit Extension” means each of the following: (a) a Borrowing and (b) an L/C Credit Extension.

“Debtor Relief Laws” means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium,

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rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

“Default” means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

“Default Rate” means (a) when used with respect to Obligations other than Letter of Credit Fees, an interest rate equal to (i) the Base Rate plus (ii) the Applicable Rate, if any, applicable to Base Rate Loans plus (iii) 2% per annum; provided, however, that with respect to a Eurocurrency Rate Loan, the Default Rate shall be an interest rate equal to the interest rate (including any Applicable Rate and Mandatory Cost) otherwise applicable to such Loan plus 2% per annum, and (b) when used with respect to Letter of Credit Fees, a rate equal to the Applicable Rate plus 2% per annum.

“Defaulting Lender” means any Lender that, as determined by the Administrative Agent, (a) has failed to perform its obligation to fund any portion of its Loans within one Business Day of the date required to be funded by it hereunder, unless such obligation is the subject of a good faith dispute, (b) has notified the Borrowers, the Administrative Agent or any Lender in writing that it does not intend to comply with any of its funding obligations under this Agreement or has made a public statement that it does not intend to comply with its funding obligations under this Agreement or generally under other agreements in which it commits to extend credit, (c) has failed, within three (3) Business Days after written request by the Administrative Agent, to confirm in a manner reasonably satisfactory to the Administrative Agent, that it will comply with the terms of this Agreement relating to its obligations to fund prospective Loans, (d) otherwise has failed to pay over to the Administrative Agent or any other Lender any other amount required to be paid by it hereunder within one Business Day of the date when due, unless the subject of a good faith dispute, or (e) has, or has a direct or indirect parent company that has,

(i) become the subject of a proceeding under any bankruptcy or insolvency proceeding, or (ii) had a receiver, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or a custodian appointed for it, or (iii) taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in such Lender or direct or indirect parent company thereof by a Governmental Authority.

“Discharge Date” means the date on which the Obligations have been unconditionally and irrevocably paid in full and all Letters of Credit terminated or Cash Collateralized, except for contingent obligations under the Loan Documents which by their terms survive.

“Disposition” or “Dispose” means the sale, transfer, license, lease or other disposition (including any sale and leaseback transaction) of any property by any Person, including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith.

“Dollar” and “\$” mean lawful money of the United States.

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“Dollar Equivalent” means, at any time, (a) with respect to any amount denominated in Dollars, such amount, and (b) with respect to any amount denominated in any Alternative Currency, the equivalent amount thereof in Dollars as determined by the Administrative Agent or the L/C Issuer, as the case may be, at such time on the basis of the Spot Rate (determined in respect of the most recent Revaluation Date) for the purchase of Dollars with such Alternative Currency.

“Domestic Loan Party” means a Loan Party that is organized under the laws of any political subdivision of the United States.

“Domestic Loan Party Obligations” means Obligations of the Domestic Loan Parties.

“Domestic Revolving Loans” has the meaning set forth in Section 2.02(a) hereto.

“Domestic Subsidiary” means any Subsidiary that is organized under the laws of any political subdivision of the United States.

“Dutch Borrower” means Allied B.V.

“Dutch FSA” means the Financial Supervision Act (*Wet op het financieel toezicht*), including any regulations issued pursuant thereto.

“Dutch Loan Party” means a Loan Party which is incorporated or established in The Netherlands.

“Eligible Assignee” means any Person that meets the requirements to be an assignee under Section 10.06(b)(iii), (v) and (vi) (subject to such consents, if any, as may be required under Section 10.06(b)(iii)).

“Eligible Foreign Receivables” means at the time of compilation, the aggregate amount of outstanding Eligible Receivables owed to a Borrower or an Eligible Receivables Guarantor by account debtors that are organized under the laws of a Permitted Jurisdiction (other than the United States and Canada) and have their principal place of business in a Permitted Jurisdiction (other than the United States and Canada).

“Eligible Inventory” means finished goods and raw materials inventory (exclusive of work in process, packaging, supplies, machinery and tooling) of the applicable Borrower or Eligible Inventory Guarantor recorded on the books and records of such Borrower in the ordinary course of the business operations of such Borrower or Eligible Inventory Guarantor valued on a first in first out basis at the lower of (a) the fair market value of such inventory, or (b) the cost of such inventory, which inventory satisfies each of the following requirements:

- (i) is in good and merchantable condition;
- (ii) meets all standards imposed by any Government Authority having regulatory authority over such goods and/or their use, manufacture and/or sale;

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(iii) has been physically received in (A) with respect to inventory of the Company and each Domestic Subsidiary that is an Eligible Inventory Guarantor, the continental United States or (B) with respect to inventory of Allied B.V. and each Foreign Loan Party that is an Eligible Inventory Guarantor, the United States, The Netherlands or Sweden, and in each case, is located at a facility owned or leased by such Loan Party, is not in-transit, and is not subject to advance payment by the Company or such Eligible Inventory Guarantor; provided that no inventory located at a leased facility shall be deemed to be “Eligible Inventory” hereunder unless the landlord of such facility shall have entered into an agreement satisfactory in form and substance to the Administrative Agent acknowledging the Liens of the Administrative Agent and granting the Administrative Agent access to such Inventory (on substantially the same or better terms as such Loan Party’s access to such facility) or a satisfactory rental or storage fee reserve has been established;

(iv) is currently held for sale and currently salable in the normal course of the business operations, or, as respects raw materials, is incorporated or is being held to be incorporated in customer products being produced or provided by the applicable Borrower or Eligible Inventory Guarantor;

(v) does not constitute returned (unless suitable for resale), excess, obsolete, unsaleable, shopworn, seconds, used, damaged or unfit inventory;

(vi) is not subject to a sale to an account debtor on a bill-and-hold guaranteed sale, sale-or-return, sale-on-approval, consignment or any other repurchase or return basis;

(vii) is not subject to any Lien of any kind except for the Lien of the Administrative Agent securing Obligations under this Agreement or another Permitted Lien;

(viii) has not been sold to any Loan Party; and

(ix) constitutes Collateral in which the Agent has a first priority Lien securing the Obligations subject only to a Permitted Lien;

provided, however, that (A) the aggregate amount of Eligible Inventory shall be computed net of such reserves for slow moving and other ineligible inventory as the Administrative Agent shall deem appropriate, (B) the Administrative Agent may in its sole discretion exclude particular items of Inventory from the definition of Eligible Inventory and may impose additional and/or more restrictive eligibility or valuation criteria than those set forth above as preconditions for any item of Inventory to be deemed to be Eligible Inventory hereunder, and (C) Inventory deemed to be Eligible Inventory at any one point in time may be excluded by the Administrative Agent in its sole discretion at a future point in time.

“Eligible Inventory Guarantor” means Allied AB, Emoteq, Premotec, Globe Inc., MPC and Stature.

“Eligible North American Receivables” means at the time of computation, the aggregate amount of outstanding Eligible Receivables owed by account debtors that are organized under

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the laws of a State of the United States or Canada and have their principal place of business in the United States or Canada.

“Eligible Receivables” means (a) the aggregate face amount of the accounts receivable outstanding and owed to the applicable Borrower or Eligible Receivables Guarantor as determined in accordance with GAAP consistently applied and as entered on the books and records of the applicable Borrower or Eligible Receivables Guarantor in the ordinary course of the business operations of the applicable Borrower or Eligible Receivables Guarantor, minus (b) without duplication, the aggregate amount of any returns, discounts (which may, at the Administrative Agent’s option, be calculated on the shortest term offered by such Borrower or Eligible Receivables Guarantor), claims, credits, debt memoranda, customer deposits, chargebacks, contra accounts, allowances or excise taxes of any nature (whether issued, owing, granted or outstanding), and which satisfy each of the requirements set forth below:

(i) the subject goods have been sold and/or services have been rendered on an absolute sale basis and on an open account basis to an account debtor which is not (A) a Governmental Authority or other Person such that the Assignment of Claims Act (or other similar legal or regulatory requirement) would apply to the pledge of receivables of such account debtor, unless the Assignment of Claims Act (or such other Law or regulatory requirement) has been complied with to the satisfaction of the Administrative Agent or (B) an Affiliate of such Borrower or Eligible Receivables Guarantor;

(ii) an invoice (in form and substance reasonably acceptable to the Administrative Agent) has been sent to the applicable account debtor and bears an invoice date contemporaneous with or later than the date of sale of such goods or rendering of such service;

(iii) the account receivable does not arise from a sale to the account debtor on a bill-and-hold, guaranteed sale, sale-or-return, sale-on-assignment, sale-on-appraisal, consignment or any other repurchase or return basis;

(iv) the account is not evidenced by chattel paper or an instrument of any kind, and has not been reduced to judgment;

(v) the account debtor is not insolvent or the subject of any bankruptcy or insolvency proceedings of any kind;

(vi) the account debtor is credit worthy and not experiencing financial difficulties that could affect the collectability of the account;

(vii) the account debtor is located in a Permitted Jurisdiction or if the account debtor is not located in a Permitted Jurisdiction, the account is supported by a letter of credit issued or confirmed by a bank acceptable to the Administrative Agent and the Required Lenders or by other credit enhancements or credit insurance, in each case in form and substance reasonably satisfactory to the Administrative Agent and the Required Lenders;

(viii) the account receivable is a valid and legally enforceable obligation of the account debtor thereunder, it is not subject to recoupment, offset (other than discount for prompt payment) or other defense on the part of such account debtor or to any claim on the part

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of such account debtor denying liability thereunder (provided that if an account receivable is subject to recoupment or offset it shall only be rendered ineligible to the extent of such offset or recoupment);

(ix) the account receivable is not subject to any Lien of any kind except for the Lien of the Administrative Agent securing the obligations of such Borrower or Eligible Receivables Guarantor under this Agreement and any Permitted Lien;

(x) the account receivable has not remained outstanding in whole or in part for more than ninety (90) days after the invoice date, invoiced in accordance with such Borrower’s or Eligible Receivables Guarantor’s usual and customary terms, or in the case of certain Eligible Receivables owed to Globe LDA which have ninety (90) day payment terms, and have been approved by the Administrative Agent, has not remained outstanding in whole or in part for more than one hundred twenty (120) days;

(xi) the account receivable does not arise out of a transaction (direct or indirect) with an employee, officer, agent, director or stockholder of such Borrower or Eligible Receivables Guarantor or any Affiliate of such Borrower or Eligible Receivables Guarantor;

(xii) the account receivable constitutes Collateral in which the Administrative Agent has a first priority Lien securing the Obligations of the Borrowers under this Agreement;

(xiii) such Borrower or Eligible Receivables Guarantor has not made an agreement with the account debtor to extend the time of payment of the subject account receivable;

(xiv) the account receivable is (x) with respect to Eligible North American Receivables denominated in U.S. dollars and (y) with respect to Eligible Foreign Receivables denominated in US Dollars or Alternative Currency;

(xv) the account receivable does not consist of a progress billing or an excess billing;

provided, however, that (A) the Administrative Agent may in its sole discretion exclude particular accounts from the definition of Eligible Receivables and may impose additional and/or more restrictive eligibility or valuation criteria than those set forth above as preconditions for any account to be deemed to be an Eligible Receivable hereunder, and (B) an account deemed to be an Eligible Receivable at any one point in time may be excluded by the Administrative Agent in its sole discretion at a future point in time.

“Eligible Receivables Guarantor” means Allied AB, Emoteq, Premotec, Globe Inc., Globe LDA, MPC and Stature.

“Emoteq” means Emoteq Corporation, a Colorado corporation.

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“EMU” means the economic and monetary union in accordance with the Treaty of Rome 1957, as amended by the Single European Act 1986, the Maastricht Treaty of 1992 and the Amsterdam Treaty of 1998.

“EMU Legislation” means the legislative measures of the European Council for the introduction of, changeover to or operation of a single or unified European currency.

“Environmental Laws” means any and all Federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including, but not limited to, those related to hazardous substances or wastes, air emissions and discharges to waste or public systems or other Hazardous Materials.

“Environmental Liability” means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Company, any other Loan Party or any of their respective Subsidiaries directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“Equity Interests” means, with respect to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

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

“ERISA Affiliate” means any trade or business (whether or not incorporated) under common control with the Company within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code).

“ERISA Event” means (a) a Reportable Event with respect to a Pension Plan; (b) a withdrawal by the Company or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by the Company or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization (except as otherwise disclosed in Schedule 5.12); (d) the filing of a notice of

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intent to terminate, the treatment of a Plan amendment as a termination under Section 4041 or 4041A of ERISA, or the commencement of proceedings by the PBGC to terminate a Pension Plan or Multiemployer Plan; (e) an event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan or Multiemployer Plan; or (f) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon the Company or any ERISA Affiliate.

“EU Guarantors” means, collectively, Premotec, Allied AB and Globe LDA.

“Euro” and “EUR” mean the lawful currency of the Participating Member States introduced in accordance with the EMU Legislation.

“Eurocurrency Rate” means:

(a) with respect to any Loan, for any Interest Period:

(i) denominated in a LIBOR Quoted Currency, the rate per annum equal to the London Interbank Offered Rate (“LIBOR”), or a comparable or successor rate which rate is approved by the Administrative Agent, as published on the applicable Reuters screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time) (in such case, the “LIBOR Rate”) at or about 11:00 a.m. (London time) on the Rate Determination Date, for deposits in the relevant currency, with a term equivalent to such Interest Period;

(ii) denominated in Swedish Krona, the rate per annum equal to the Stockholm Interbank Offered Rate (“STIBOR”), or a comparable or successor rate which rate is approved by the Administrative Agent, as published on the applicable Reuters screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time) at or about 11:00 a.m. (Stockholm, Sweden time) on the Rate Determination Date with a term equivalent to such Interest Period;

(iii) with respect to any Credit Extension denominated in any Non-LIBOR Quoted Currency, the rate per annum as designated with respect to such Alternative Currency at the time such Alternative Currency is approved by the Administrative Agent and the relevant Lenders pursuant to Section 1.09(a); and

(b) for any interest rate calculation with respect to a Base Rate Loan on any date, the rate per annum equal to the LIBOR Rate, at or about 11:00 a.m. (London time) determined two (2) Business Days prior to such date for Dollar deposits being delivered in the London interbank market for deposits in Dollars with a term of one (1) month commencing that day;

provided that to the extent a comparable or successor rate is approved by the Administrative Agent in connection with any rate set forth in this definition, the approved rate shall be applied in a manner consistent with market practice; provided further, that to the extent such market practice is not administratively feasible for the Administrative Agent, such approved rate shall be applied in a manner as otherwise reasonably determined by the Administrative Agent.

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“Eurocurrency Rate Loan” means a Loan that bears interest at a rate based on the Eurocurrency Rate. Eurocurrency Rate Loans may be denominated in Dollars or in an Alternative Currency.

“Event of Default” has the meaning specified in Section 8.01.

“Excess Cash Flow” means, with respect to each fiscal year of the Company, (a) Consolidated EBITDA of the Company and its Subsidiaries for such period less (b) the sum of (i) cash taxes paid during such period, (ii) all interest payments made or scheduled to be made, during such period, (iii) all cash principal payments on the Term Loans made during such period and all scheduled payments of other Indebtedness of the Company and its Subsidiaries during such period to the extent such other Indebtedness is permitted to be incurred, and such payments are permitted to be made, under this Agreement, and (iv) the cash portion of Capital Expenditures made by the Company and its Subsidiaries during such period to the extent permitted to be made under this Agreement.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Excluded Swap Obligation” means, with respect to any Guarantor, any obligations under a Swap Contract entered into by the Company whose obligations are being guaranteed if, and to the extent that, all or a portion of the Guaranty of such Guarantor of, such Obligation 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 thereof) (a) by virtue of such Guarantor’s failure for any reason to constitute an “eligible contract participant” (as defined in Section 1(a)(18) of the Commodity Exchange Act or any regulations promulgated thereunder) at the time the Guaranty becomes or would become effective with respect to such Swap Contract, or (b) in the case of a Swap Contract subject to a clearing requirement pursuant to Section 2(h) of the Commodity Exchange Act (or any successor provision thereto), because such Guarantor 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 Guaranty becomes or would become effective with respect to such related Swap Contract. If an Obligation guaranteed arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Contract that is attributable to swaps for which such Guaranty is or becomes illegal.

“Excluded Taxes” means, with respect to the Administrative Agent, any Lender, the L/C Issuer or any other recipient of any payment to be made by or on account of any obligation of any Borrower hereunder, (a) taxes imposed on or measured by its overall net income (however denominated), and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the Laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable Lending Office is located, (b) any branch profits taxes imposed by the United States or any similar tax imposed by any other jurisdiction in which the Company is located, including, without limitation, Dutch corporate income tax, (c) any backup withholding tax that is required by the Code to be withheld from amounts payable to a Lender that has failed to comply with clause (A) of Section 3.01(e)(ii), (d) in the case of a Foreign Lender, any withholding tax that (i) is required

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to be imposed on amounts payable to such Foreign Lender pursuant to the Laws in force at the time such Foreign Lender becomes a party hereto (or designates a new Lending Office) or (ii) is attributable to such Foreign Lender’s failure or inability (other than as a result of a Change in Law) to comply with clause (B) of Section 3.01(e)(ii), except to the extent that such Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new Lending Office (or assignment), to receive additional amounts from such Borrower with respect to such withholding tax pursuant to Section 3.01(a)(ii) or (iii), and (e) any Taxes imposed on or which any Person is liable under or with respect to FATCA. “Excluded Taxes” shall not include any withholding tax imposed at any time on payments made by or on behalf of a Foreign Loan Party to any Lender hereunder or under any other Loan Document, provided that such Lender shall have complied with Section 3.01(e)(i).

“Extraordinary Gains” means, with respect to any period, any Extraordinary Gains, as defined under GAAP.

“Extraordinary Receipts” means any cash received by a Borrower or any of its Subsidiaries not in the ordinary course of business, including, without limitation, (a) pension plan reversions, (b) proceeds of insurance, (c) judgments, proceeds of settlements or other consideration of any kind in connection with

any cause of action, (d) condemnation awards (and payments in lieu thereof), and (e) indemnity payments in each case, only to the extent such receipt is not included in the calculation of EBITDA; provided that “Extraordinary Receipts” does not include royalty payments payable to Globe Inc. in the ordinary course of business.

“Facility Office” means the office through which such Lender will perform its obligations hereunder.

“Federal Funds Rate” means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to Bank of America on such day on such transactions as determined by the Administrative Agent.

“FATCA” means Sections 1471 through 1474 of the Code and any regulations (whether temporary or proposed) that are issued thereunder or official governmental interpretations thereof.

“Fee Letter” means the letter agreement, dated August 21, 2013, among the Company, the Administrative Agent, the Syndication Agent and the Arrangers.

“Fixed Charge Coverage Ratio” means, as of any date of determination, the ratio of (a) (i) Consolidated EBITDA for the Reference Period ended on such date, minus (ii) the aggregate amount of all maintenance Capital Expenditures, during such Reference Period, to (b) the sum

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for the Company and its Subsidiaries (determined on a consolidated basis without duplication in accordance with GAAP), of (i) cash taxes and dividends paid, plus (ii) the aggregate amount of Interest Expense for such Reference Period, plus (iii) the aggregate amount of regularly scheduled payments of principal in respect of Indebtedness for borrowed money (including the principal component of any payments in respect of Capital Lease Obligations for such Reference Period; provided, however, for the three (3) full fiscal quarters following the Funding Date, the denominator shall be Annualized.

“Foreign Borrower” means a Borrower that is organized under the laws of a jurisdiction other than the United States, a State thereof or the District of Columbia.

“Foreign Lender” means, with respect to any Borrower, any Lender that is organized under the Laws of a jurisdiction other than that in which such Borrower is resident for tax purposes (including such a Lender when acting in the capacity of the L/C Issuer). For purposes of this definition, the United States, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

“Foreign Loan Party” means a Loan Party that is organized under the laws of a jurisdiction other than the United States, a State thereof or the District of Columbia.

“Foreign Loan Party Obligations” means Obligations of each Foreign Loan Party.

“Foreign Revolving Loan” has the meaning specified in Section 2.02(a).

“Foreign Revolving Sublimit” means, initially, \$10,000,000 or the Alternative Currency Equivalent thereof, as may be adjusted from time to time at the discretion of the Administrative Agent, upon request of the Borrowers.

“Foreign Subsidiary” means any Subsidiary that is organized under the laws of a jurisdiction other than the United States, a State thereof or the District of Columbia.

“FRB” means the Board of Governors of the Federal Reserve System of the United States.

“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 activities.

“Funding Date” means the date on which the conditions set forth in Section 4.01 have been satisfied.

“GAAP” means generally accepted accounting principles in the United States set forth in the Accounting Standards Codification promulgated by the Financial Accounting Standards Board or such other principles as may be approved by a significant segment of the accounting profession in the United States, that are applicable to the circumstances as of the date of determination, consistently applied, except for the purposes of the books and records of the Foreign Loan Parties only, “GAAP” means the International Financial Reporting Standards (“IFRS”) or generally accepted accounting principles applicable in The Netherlands. The

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financial statements of the Foreign Loan Parties to be delivered under Section 6.01 must be presented under the foregoing described generally accepted accounting principles applicable in the United States.

“Globe Inc.” means Globe Motors, Inc., a Delaware corporation.

“Globe LDA” means Globe Motors Portugal Material Eléctrico para a Indústria Automóvel, LDA., a Portuguese private company with limited liability.



“Governmental Authority” means the government of the United States or any other nation, or of 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 (including any supra-national bodies such as the European Union or the European Central Bank).

“Governmental Official” shall mean any governmental official or employee, employee of any government-owned or government-controlled entity, political party, any official of a political party, candidate for political office, official of any public international organization or anyone else acting in an official capacity.

“Granting Lender” has the meaning specified in Section 10.06(g).

“Guaranty” means, as to any Person, any (a) obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation payable or performable by another Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or other obligation of the payment or performance of such Indebtedness or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (b) Lien on any assets of such Person securing any Indebtedness or other obligation of any other Person, whether or not such Indebtedness or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien). The amount of any Guaranty shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guaranty is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term “Guaranty” as a verb has a corresponding meaning.

“Guarantors” means, collectively, the US Guarantors and the EU Guarantors and each other Person which guaranties the Obligations.

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“Guarantor Security Agreement” means each security agreement and each pledge agreement from a Guarantor to the Administrative Agent, for the benefit of the Lenders to secure the Obligations.

“Hazardous Materials” means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

“IFRS” means international accounting standards within the meaning of IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements delivered under to referred to herein.

“Impacted Lender” means a Defaulting Lender or a Lender as to which (a) the Administrative Agent or L/C Issuer has a good faith belief that such Lender has defaulted in fulfilling its obligations under one or more other syndicated credit facilities or (b) an entity that controls such Lender has been deemed insolvent or become the subject of a bankruptcy or insolvency proceeding.

“Indebtedness” means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP:

- (a) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments;
- (b) all direct or contingent obligations of such Person arising under standby letters of credit, bankers’ acceptances, bank guaranties, surety bonds and similar instruments;
- (c) net obligations of such Person under any Swap Contract;
- (d) all obligations of such Person to pay the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business and, in each case, not past due for more than 90 days after the date on which such trade account payable was created);
- (e) indebtedness secured by a Lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse;
- (f) Capital Leases Obligations and Synthetic Lease Obligations;
- (g) all obligations of such Person to purchase, redeem, retire, defease or otherwise make any payment in respect of any Equity Interest in such Person or any other Person; and

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- (h) all guaranties of such Person in respect of any of the foregoing.

For all purposes hereof, the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venturer, unless such Indebtedness is made non-recourse to such Person. The amount of any net obligation under any Swap Contract on any date shall be deemed to be the Swap Termination Value thereof

as of such date. The amount of any Capital Lease Obligation or Synthetic Lease Obligation as of any date shall be deemed to be the amount of Attributable Indebtedness in respect thereof as of such date.

“Indemnified Taxes” means Taxes other than Excluded Taxes.

“Indemnitee” has the meaning specified in Section 10.04(b).

“Information” has the meaning specified in Section 10.07.

“Intellectual Property Security Agreements” means each Trademark Agreement and Patent Agreement.

“Interest Expense” means, for any period, the sum, without duplication, for the Company and its Subsidiaries (determined on a consolidated basis in accordance with GAAP), of the following: (a) all interest in respect of Indebtedness accrued or paid during such period (whether or not actually paid during such period), plus (b) the net amounts paid (or minus the net amounts received) in respect of interest rate Swap Contracts during such period, excluding reimbursement of legal fees and other similar transaction costs and excluding payments required by reason of the early termination of interest rate Swap Contracts, plus (c) all fees, including letter of credit fees and expenses, (but excluding reimbursement of legal fees), plus (d) the amortization of financing costs in connection with Indebtedness.

“Interest Payment Date” means, (a) as to any Loan other than a Base Rate Loan, the last day of each Interest Period applicable to such Loan and the Maturity Date; provided, however, that if any Interest Period for a Eurocurrency Rate Loan exceeds three months, the respective dates that fall every three months after the beginning of such Interest Period shall also be Interest Payment Dates; and (b) as to any Base Rate Loan, the last Business Day of each March, June, September, and December and the Maturity Date.

“Interest Period” means, as to each Eurocurrency Rate Loan, the period commencing on the date such Eurocurrency Rate Loan is disbursed or converted to or continued as a Eurocurrency Rate Loan and ending on the date one, three or six months thereafter, as selected by the Company in its Term Loan Notice or Revolving Loan Notice, as applicable; provided that:

(a) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day;

(b) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at

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the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period; and

(c) no Interest Period shall extend beyond the Maturity Date,

except in the case of the initial Interest Period for Eurocurrency Rate Loans made on the Funding Date, which Interest Period shall begin on the Funding Date and end on the last Business Day of the month in which the Funding Date occurs.

“Inventory Borrowing Base” means an amount equal to the sum of up to fifty percent (50%) of Eligible Inventory of the Company, Allied B.V. and Eligible Inventory Guarantors.

“Investment” means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of capital stock or other securities of another Person, (b) a loan, advance or capital contribution to, Guaranty or assumption of debt of, or purchase or other acquisition of any other debt or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person and any arrangement pursuant to which the investor guaranties Indebtedness of such other Person, or (c) the purchase or other acquisition (in one transaction or a series of transactions) of assets of another Person that constitute a business unit. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment.

“IP Rights” has the meaning specified in Section 5.18.

“IRS” means the United States Internal Revenue Service.

“ISDA Agreement” has the meaning specified in Section 4.01(h).

“ISP” means, with respect to any Letter of Credit, the “International Standby Practices 1998” published by the Institute of International Banking Law & Practice, Inc. (or such later version thereof as may be in effect at the time of issuance).

“Issuer Documents” means with respect to any Letter of Credit, the Letter of Credit Application, and any other document, agreement and instrument entered into by the L/C Issuer and the Company or Allied B.V. or in favor of the L/C Issuer and relating to such Letter of Credit.

“Judgment Currency” has the meaning specified in Section 10.19.

“Krona” or “SEK” means the lawful money of Sweden.

“Laws” means, collectively, all international, foreign, Federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and

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permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

“L/C Advance” means, with respect to each Lender, such Lender’s funding of its participation in any L/C Borrowing in accordance with its Applicable Percentage. All L/C Advances shall be denominated in Dollars or Alternative Currency.

“L/C Borrowing” means an extension of credit resulting from a drawing under any Letter of Credit which has not been reimbursed on the date when made or refinanced as a Revolving Loan.

“L/C Credit Extension” means, with respect to any Letter of Credit, the issuance thereof or extension of the expiry date thereof, or the increase of the amount thereof.

“L/C Issuer” means Bank of America in its capacity as issuer of Letters of Credit hereunder, or any successor issuer of Letters of Credit hereunder.

“L/C Obligations” means, as at any date of determination, the aggregate amount available to be drawn under all outstanding Letters of Credit plus the aggregate of all Unreimbursed Amounts, including all L/C Borrowings. For purposes of computing the amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.08. For all purposes of this Agreement, if on any date of determination a Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of Rule 3.14 of the ISP, such Letter of Credit shall be deemed to be “outstanding” in the amount so remaining available to be drawn.

“Lender” has the meaning specified in the introductory paragraph hereto.

“Lending Office” means, as to any Lender, the office or offices of such Lender described as such in such Lender’s Administrative Questionnaire, or such other office or offices as a Lender may from time to time notify the Company and the Administrative Agent.

“Letter of Credit” means any standby letter of credit issued hereunder. Letters of Credit may be issued in Dollars or Alternative Currency.

“Letter of Credit Application” means an application and agreement for the issuance or amendment of a Letter of Credit in the form from time to time in use by the L/C Issuer.

“Letter of Credit Expiration Date” means the day that is five days prior to the Revolving Loan Maturity Date (or, if such day is not a Business Day, the next preceding Business Day).

“Letter of Credit Fee” has the meaning specified in Section 2.04(i).

“Letter of Credit Sublimit” means \$5,000,000. The Letter of Credit Sublimit is part of, and not in addition to, the Aggregate Revolving Loan Commitments.

“LIBOR Quoted Currency” means Dollars and Euro, in each case as long as there is a published LIBOR rate with respect thereto.

“Lien” means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

“Loan” means an extension of credit by a Lender to a Borrower under Article II in the form of a Term Loan or a Revolving Loan.

“Loan Documents” means this Agreement, each Note, each Issuer Document, the Fee Letter, each of the Guaranties, each of the Security Documents, any Supplement or any other document designated as a “Loan Document” by the Administrative Agent and the Company.

“Loan Parties” means, collectively, the Company, Allied B.V. and each Guarantor or individually a “Loan Party”.

“Loan Party Guaranties” means, collectively, the Guaranties made by the Company and the Guarantors in favor of the Administrative Agent and the Lenders, whether pursuant to Section 10.20 of this Agreement or by a separate agreement.

“Mandatory Cost” means an amount incurred periodically by any Lender during the term of any Loan which constitutes fees, costs or charges imposed on Lenders generally in the jurisdiction in which such Lender is domiciled, subject to regulation, or has its Facility Office by any Governmental Authority.

“Material Adverse Effect” means (a) a material adverse change in, or a material adverse effect upon, the operations, business, properties, assets, liabilities (actual or contingent), condition (financial or otherwise) of the Loan Parties and their Subsidiaries taken as a whole; (b) a material impairment of the ability of any Loan Party to perform its obligations under any Loan Document to which it is a party; or (c) a material adverse effect upon, or material impairment of, the legality, validity, binding effect, enforceability or rights and remedies of the Administrative Agent or the Lenders against any Loan Party under any Loan Document to which it is a party.

“Material Rental Obligation” means the obligation of the Loan Parties to pay rent under any one or more operating leases with respect to any real or personal property that is material to the business of such Loan Party.

“Maturity Date” means, with respect to the Revolving Loans, the Revolving Loan Maturity and with respect to the Term Loan, the Term Loan Maturity Date.

“MPC” means Motor Products Corporation, a Delaware corporation.

“Multiemployer Plan” means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which the Company or any ERISA Affiliate makes or is obligated to make contributions, or during the preceding five plan years, has made or been obligated to make contributions.

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“Net Cash Proceeds” means:

(a) with respect to the sale of any asset by any Loan Party, the excess, if any, of (i) the sum of cash and cash equivalents received in connection with such sale (including any cash received by way of deferred payment pursuant to, or by monetization of, a note receivable or otherwise) over (ii) the sum of (A) the principal amount of any Indebtedness that is secured by such asset, so long as the lien securing such Indebtedness is permitted pursuant to Section 7.01, and that is required to be repaid in connection with the sale thereof (other than Indebtedness under the Loan Documents), (B) the out-of-pocket expenses incurred by such Loan Party in connection with such sale and (C) income taxes reasonably estimated to be actually payable within one year of the date of the relevant asset sale as a result of any gain recognized in connection therewith; and

(b) with respect to the sale of any capital stock or other equity interest or the incurrence of any Indebtedness by any Loan Party, the excess of (i) the sum of the cash and cash equivalents received in connection with such sale or incurrence over (ii) the underwriting discounts and commissions, and other out-of-pocket expenses, incurred by such Loan Party in connection with such sale or incurrence.

“Non-Cash Charges” means, with respect to any calculation of Consolidated Net Income for any period, all non-cash charges related to incentive stock compensation, all non-cash extraordinary losses and charges deducted in such calculation, as determined in accordance with GAAP (excluding inventory and account receivable write-downs and charge-offs), including, without limitation, non-cash recognition of unrealized declines in the market value of marketable securities recorded in accordance with ASC No. 320, non-cash asset impairment charges recorded in accordance with ASC No. 350 and ASC No. 360, and non-cash restructuring charges.

“Non-LIBOR Quoted Currency” means any currency other than a LIBOR Quoted Currency.

“Note” means any note delivered to a Lender pursuant to Section 2.10 of this Agreement to evidence such Lender’s Term Loan Commitment or Revolving Loan Commitment.

“Obligations” means all advances to, and debts, liabilities, obligations, covenants and duties of, any Loan Party arising under any Loan Document or otherwise with respect to any Loan or Letter of Credit or any Bank Product Obligations, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Loan Party of any proceeding under any Debtor Relief Laws naming such Loan Party as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding.

“Organizational Documents” means: (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement; (c) with respect to

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any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity; and (d) with respect to each Dutch Loan Party, an up to date extract from the Dutch Commercial Register (*Handelsregister*), its deed of incorporation, its articles of association and an up to date copy of its shareholders register.

“Original EU Guarantors” means, collectively, Premotec and Allied AB.

“Other Taxes” means all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or under any other Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document.

“Outstanding Amount” means: (i) with respect to Loans on any date, the Dollar Equivalent amount of the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of such Loans occurring on such date; (ii) with respect to any L/C Obligations on any date, the Dollar Equivalent amount of the aggregate outstanding amount of such L/C Obligations on such date after giving effect to any L/C Credit Extension occurring on such date and any other changes in the aggregate amount of the L/C Obligations as of such date, including as a result of any reimbursements by the Borrowers of Unreimbursed Amounts.

“Overnight Rate” means, for any day, (a) with respect to any amount denominated in Dollars, the greater of (i) the Federal Funds Rate and (ii) an overnight rate determined by the Administrative Agent or the L/C Issuer, as the case may be, in accordance with banking industry rules on interbank compensation, and (b) with respect to any amount denominated in an Alternative Currency, the greater of (i) an overnight rate determined by the Administrative Agent or the L/C Issuer, as the case may be, in accordance with banking industry rules on interbank compensation and (ii) the rate of interest per annum at which overnight deposits in the applicable Alternate Currency, in the amount approximately equal to the amount with respect to which such rate is being determined, would be offered for such day by a branch or Affiliate of Bank of America in the applicable offshore interbank market for such currency to major banks in such interbank market.

“Participant” has the meaning specified in Section 10.06(d).

“Participating Member State” means any member state of the European Union that has the Euro as its lawful currency in accordance with legislation of the European Union relating to EMU.

“Patent Agreement” means any grant of security interest in patents, made by any Loan Party in favor of the Administrative Agent, or any of its predecessors, including, without limitation that certain Patent Collateral Assignment and Security Agreements, dated on or before

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the Funding Date, from the Company, Globe Inc., Stature and Allied AB to the Administrative Agent.

“PBGC” means the Pension Benefit Guaranty Corporation.

“Pension Plan” means any “employee pension benefit plan” (as such term is defined in Section 3(2) of ERISA), other than a Multiemployer Plan, that is subject to Title IV of ERISA and is sponsored or maintained by the Company or any ERISA Affiliate or to which the Company or any ERISA Affiliate contributes or has an obligation to contribute, or in the case of a multiple employer or other plan described in Section 4064(a) of ERISA, has made contributions at any time during the immediately preceding five plan years.

“Permitted Jurisdiction” for the Company, the United States or Canada; and for Allied B.V., the United States, Sweden, any Participating Member State or the United Kingdom.

“Permitted Lien” means a Lien permitted under Section 7.01 of this Agreement.

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“Plan” means any “employee benefit plan” (as such term is defined in Section 3(3) of ERISA) established by the Company or, with respect to any such plan that is subject to Section 412 of the Code or Title IV of ERISA, any ERISA Affiliate.

“Platform” has the meaning specified in Section 6.02.

“Pledge Agreements” means the pledge agreements, between a Loan Party and the Administrative Agent, pursuant to which any Loan Party pledges any stock, other equity interests or intercompany notes held by it, including, without limitation those certain Pledge Agreements, dated on or before the Funding Date, by the Company and Allied B.V. to the Administrative Agent, as amended, restated, replaced or assigned from time to time.

“Premotec” means Precision Motor Technology B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under Dutch law, having its seat (*statutaire zetel*) in Dordrecht, The Netherlands, its registered office at Kerkeplaat 16, 3313 LC Dordrecht, The Netherlands, and registered with the Dutch Commercial Register (*Handelsregister*) under number 23086029.

“Public Lender” has the meaning specified in Section 6.02.

“Rate Determination Date” means two (2) Business Days prior to the commencement of such Interest Period (or such other day as is generally treated as the rate fixing day by market practice in such interbank market, as determined by the Administrative Agent; provided that to the extent such market practice is not administratively feasible for the Administrative Agent, then “Rate Determination Date” means such other day as otherwise reasonably determined by the Administrative Agent).

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“Receivable Credit” — Any discount, allowance, credit, rebate, or adjustment granted by the Company or Allied B.V. or an Eligible Receivables Guarantor, as applicable, with respect to a Receivable.

“Receivables” — The right to payment for goods sold or leased or services rendered by a Borrower, whether or not earned by performance.

“Reference Period” means, as of any date of determination, the period of four (4) consecutive fiscal quarters of the Company and its Subsidiaries ending on such date, or if such date is not a fiscal quarter end date, the period of four (4) consecutive fiscal quarters most recently ended (in each case treated as a single accounting period).

“Register” has the meaning specified in Section 10.06(c).

“Related Parties” means, with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents, trustees and advisors of such Person and of such Person’s Affiliates.

“Reportable Event” means any of the events set forth in Section 4043(c) of ERISA.

“Request for Credit Extension” means (a) with respect to a Revolving Loan, or conversion or continuation of Revolving Loans, a Revolving Loan Notice, and (b) with respect to an L/C Credit Extension, a Letter of Credit Application.

“Required Lenders” means, as of any date of determination, Lenders having more than 66-2/3% of the Aggregate Commitments or, if the Commitments of each Lender to make Loans and the obligation of the L/C Issuer to make L/C Credit Extensions have been terminated pursuant to Section 8.02, Lenders holding in the aggregate more than 66-2/3% of the Total Outstandings (with the aggregate amount of each Lender’s risk participation and funded participation in L/C Obligations being deemed “held” by such Lender for purposes of this definition); provided that the Commitment of, and the portion of the Total Outstandings held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Required Lenders.

“Responsible Officer” means, the Chief Executive Officer, President, Chief Financial Officer, Treasurer, Secretary or Controller of a Loan Party and with respect to each Dutch Loan Party, any of its managing directors (*statutaire bestuurders*). Subject to the foregoing, any document delivered pursuant to any Loan Document that is signed by a Responsible Officer of a Loan Party shall be conclusively presumed to have been authorized by all necessary, corporate, partnership or other action on the part of such Loan Party and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Loan Party.

“Restricted Payment” means (i) any dividend or other distribution (whether in cash, securities or other property) with respect to any capital stock or other Equity Interest of any Loan Party or any Subsidiary, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such capital stock or other Equity Interest, or on account of any return of capital to the Company’s or any other Loan Party’s stockholders,

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partners or members (or the equivalent Person thereof), (ii) any redemption, retirement, sinking fund or similar payment, purchase or other acquisition for value, direct or indirect, of any shares of any class of stock of, or other equity interest in, any Loan Party or any of its Subsidiaries now or hereafter outstanding, (iii) any payment made to retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire shares of any class of stock of, or other equity interest in, any Loan Party or any of its Subsidiaries, (iv) any payment or prepayment of principal of, premium, if any, or interest on, or redemption purchase, retirement, defeasance (including economic or legal defeasance), sinking fund or similar payment with respect to the Senior Subordinated Notes and/or any intercompany Indebtedness owing by the Company or any Subsidiary, and (v) any payment made to any Affiliates of any Loan Party or any of its Subsidiaries in respect of management, consulting or other similar services provided to any Loan Party or any of its Subsidiaries; provided, however, “Restricted Payment” shall not include any payment for the purchase or redemption of shares of stock of the Company held by (a) any employee of the Company or any of its Subsidiaries if the purpose of such payment is provide funds for the payment of taxes with respect to shares of the Company held by such employee, and (b) any employee stock ownership plan or trust if the purpose of such payment is to provide funds for payments by such plan or trust of payments that are required to be made to employees of the Company or its Subsidiaries.

“Revaluation Date” means (a) with respect to any Loan, each of the following: (i) each date of a Borrowing of a Eurocurrency Rate Loan denominated in an Alternative Currency, (ii) each date of a continuation of a Eurocurrency Rate Loan denominated in an Alternative Currency pursuant to Section 2.03, and (iii) such additional dates as the Administrative Agent shall reasonably determine or the Required Lenders shall reasonably require; and (b) with respect to any Letter of Credit, each of the following: (i) each date of issuance of a Letter of Credit denominated in an Alternative Currency, (ii) each date of an amendment of any such Letter of Credit having the effect of increasing the amount thereof (solely with respect to the increased amount), (iii) each date of any payment by the L/C Issuer under any Letter of Credit denominated in an Alternative Currency, and (iv) such additional dates as the Administrative Agent or the L/C Issuer shall determine or the Required Lenders shall require.

“Revolving Borrowing” means a borrowing consisting of simultaneous Revolving Loans of the same Type, in the same currency and, in the case of Eurocurrency Rate Loans, having the same Interest Period made by each of the Lenders pursuant to Section 2.02.

“Revolving Loan” has the meaning specified in Section 2.02.

“Revolving Loan Commitment” means, with respect to each Lender, the commitment of such Lender to make Revolving Loans and to acquire participations in Letters of Credit hereunder, as the same may be reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 10.06. The initial maximum amount of each Lender’s Revolving Loan Commitment is set forth on Schedule 2.01 or in the Assignment and Acceptance pursuant to which such Lender shall have assumed its Revolving Loan Commitment, as applicable.

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“Revolving Credit Commitment Percentage” means, with respect to each Lender, the percentage set forth on Schedule 2.01 hereto as such Lender’s percentage of the Aggregate Revolving Loan Commitments.

“Revolving Loan Maturity Date” means the date which is five (5) years from the Funding Date; provided that, such date is not a Business Day, the Revolving Loan Maturity Date shall be the next preceding Business Day.

“Revolving Loans” means collectively, the Domestic Revolving Loans and the Foreign Revolving Loans.

“Revolving Loan Notice” means a notice of (a) a Revolving Borrowing, (b) a conversion of Revolving Loans from one Type to the other, or (c) a continuation of Revolving Loans which are Eurocurrency Rate Loans, pursuant to Section 2.03(b), which, if in writing, shall be substantially in the form of Exhibit A-1 in the case of the Company or Exhibit A-2 in the case of Allied B.V.

“Same Day Funds” means (a) with respect to disbursements and payments in Dollars, immediately available funds, and (b) with respect to disbursements and payments in an Alternative Currency, same day or other funds as may be determined by the Administrative Agent or the L/C Issuer, as the case may be, to be customary in the place of disbursement or payment for the settlement of international banking transactions in the relevant Alternative Currency.

“Security Documents” means collectively, the Guaranties, the Pledge Agreements, the Company Security Agreement, the Allied B.V. Security Agreements, the Guarantor Security Agreements, the Intellectual Property Security Agreements, any assignments of intercompany Indebtedness and all other security agreements, UCC financing statements, and any other instruments or documents required by the Administrative Agent to be executed or delivered hereunder to secure the Obligations.

“Seller” means Safran USA, Inc.

“Senior Subordinated Indebtedness” means the Indebtedness owing to the Senior Subordinated Note Holders under the Senior Subordinated Note Documents,

“Senior Subordinated Note Documents” means the Senior Subordinated Note Purchase Agreement, the Senior Subordinated Notes and all other documents, instruments and agreements executed and delivered in connection with the Senior Subordinated Notes.

“Senior Subordinated Note Holders” means, Prudential Capital Partners IV, L.P. Prudential Capital Partners Management Fund IV, L.P., and Prudential Capital Partners (Parallel Fund) IV, L.P.as purchasers and their successors and assigns.

“Senior Subordinated Note Purchase Agreement” means the Note Agreement dated of even date herewith, among the Company, as issuer, and the Subordinated Senior Note Holder(s).

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“Senior Subordinated Notes” means the Company’s \$30,000,000 senior subordinated notes due 2019, issued pursuant to the Senior Subordinated Note Purchase Agreement, as the same shall, subject to the terms and conditions of this Agreement, be amended, supplemented or otherwise modified and in effect from time to time.

“Solvent” means, with respect to any Person on a particular date, that, at fair valuations, (a) the sum of such Person’s assets is greater than (x) all of such Person’s consolidated liabilities (including contingent, subordinated, unmatured and unliquidated liabilities) and (y) the amount required to pay such liabilities as they become absolute, matured or otherwise become due in the normal course of business, (b) such Person has the ability to pay its debts and liabilities (including contingent, subordinated, unmatured and unliquidated liabilities) as they become absolute, matured or otherwise become due in the normal course of business and (c) such Person does not have an unreasonably small amount of capital with which to conduct its business. The amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

“SPC” has the meaning specified in Section 10.06(g).

“Special Notice Currency” means, at any time, an Alternative Currency, other than currency of a country that is a member of the Organization for European Cooperation and Development at such time located in North America or Europe.

“Spot Rate” for a currency means the rate determined by the Administrative Agent or the L/C Issuer, as applicable, to be the rate quoted by the Person acting in such capacity as the spot rate for the purchase by such Person of such currency with another currency through its principal foreign exchange trading office at approximately 11:00 a.m. on the date two Business Days prior to the date as of which the foreign exchange computation is made; provided that the Administrative Agent or the L/C Issuer may obtain such spot rate from another financial institution designated by the Administrative Agent or the L/C Issuer if the Person acting in such capacity does not have as of the date of determination a spot buying rate for any such currency; and provided further that the L/C Issuer may use such spot rate quoted on the date as of which the foreign exchange computation is made in the case of any Letter of Credit denominated in an Alternative Currency.

“Stature” means Stature Electric, Inc., a Pennsylvania corporation.

“Stock Purchase Agreement” means the Stock Purchase Agreement by and between the Seller and the Company dated August 22, 2013.

“Subsidiary” of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of securities or other interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise

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specified, all references herein to a “Subsidiary” or to “Subsidiaries” shall refer to a Subsidiary or Subsidiaries of the Company or other Loan Party, as applicable.

“Subordination Agreement” means the Subordination Agreement among the Administrative Agent, the Lenders, the Subordinated Note Holders and the Loan Parties dated of even date herewith.

“Swap Contract” means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a “Master Agreement”), including any such obligations or liabilities under any Master Agreement.

“Swap Termination Value” means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts (which may include a Lender or any Affiliate of a Lender).

“Syndication Agent” has the meaning specified in the introductory paragraph hereto.

“Synthetic Lease” means, with respect to any Person as of any date of determination thereof, all obligations of such Person in respect of transactions entered into by such Person that are intended to function primarily as a borrowing of funds but are not otherwise included in the definition of “Indebtedness” or as a liability on the Consolidated balance sheet of such Person and its Subsidiaries in accordance with GAAP.

“Synthetic Lease Obligation” means the monetary obligation of a Person under (a) a so-called synthetic, off-balance sheet or tax retention lease, or (b) an agreement for the use or possession of property creating obligations that do not appear on the balance sheet of such Person but which, upon the insolvency or bankruptcy of such Person, would be characterized as the indebtedness of such Person (without regard to accounting treatment).

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“TARGET2” means the Trans-European Automated Real-Time Gross Settlement Express Transfer Payment system which utilizes a single shared platform and which was launched on November 19, 2007.

“TARGET Day” means any day on which the TARGET2 (or, if such payment system ceases to be operative, such other payment system (if any) determined by the Administrative Agent to be a suitable replacement) is open for the settlement of payments in Euro.

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Term Loan” means the term loan made by the Lenders to the Borrowers on the Funding Date pursuant to Section 2.01 of this Agreement.

“Term Loan Commitment” means with respect to each Lender, the commitment of such Lender to fund its portion of the Term Loan to the Borrowers on the Funding Date. The initial amount of each Lender’s Term Loan Commitment is set forth on Schedule 2.01.

“Term Loan Maturity Date” means the earlier of (a) date which is five (5) years from the Funding Date; provided that if such date is not a Business Day, the Term Loan Maturity Date shall be the next preceding Business Day and (b) the date the Term Loans are accelerated pursuant to Section 8.02.

“Term Loan Notice” means a notice of (a) a request to fund the Term Loans, (b) a conversion of the Terms Loans from One Type to the other, or (c) a continuation of the Term Loans which are Eurocurrency Loans pursuant to Section 2.03(a), which shall be substantially in the form of Exhibit B-1 for the Company and Exhibit B-2 for Allied B.V.

“Threshold Amount” means \$500,000.

“Total Funded Indebtedness” means, with respect to the Company and its Subsidiaries, the sum, without duplication, of (a) the aggregate amount of Indebtedness of the Company and its Subsidiaries determined on a consolidated basis in accordance with GAAP, relating to (i) the borrowing of money or the obtaining of credit, including the issuance of notes or bonds, (ii) the deferred purchase price of assets (other than trade payables incurred in the ordinary course of business), (iii) in respect of any Synthetic Lease Obligations or any Capital Lease Obligations, and (iv) the maximum drawing amount of all letters of credit outstanding, plus (b) Indebtedness of the type referred to in clause (a) of another Person guaranteed by the Company or any of its Subsidiaries.

“Total Leverage Ratio” means, as of any date of determination, the ratio of (a) Total Funded Indebtedness (which shall include the L/C Obligations) of the Company and its Subsidiaries outstanding on such date to (b) Consolidated EBITDA for the Reference Period ended on such date (calculated for the first four fiscal quarters following the Funding Date after giving pro forma effect to the Acquisition).

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“Total Revolving Outstandings” means the aggregate Outstanding Amount of all Revolving Loans and all L/C Obligations.

“Trademark Agreement” means any grant of security interest in trademarks, made by any Loan Party in favor of the Administrative Agent, or any of its predecessors, including, without limitation that certain Trademark Collateral Security and Pledge Agreement, dated as of even date herewith from the Company and Globe Inc. to the Administrative Agent.

“Transaction Documents” means collectively, (a) the Acquisition Documents, (b) the Loan Documents and (c) the Senior Subordinated Note Documents.

“Transaction Expenses” means fees, costs and expenses paid or reimbursed in cash by the Borrowers before or within 180 days after the Funding Date in connection with the Transactions.

“Transactions” mean the transactions contemplated by the Transaction Documents.

“TRW Litigation” means the lawsuit pending before the High Court of Justice, Queen’s Bench Division, London Mercantile Court, Claim Number 2011-645, between Globe Inc. and Globe LDA, as claimants and TRW Lucas Varity Electric Steering Limited, as defendant, and all proceedings related thereto or arising from the same facts and circumstances.

“Type” means, with respect to the Term Loan or a Revolving Loan, its character as a Base Rate Loan or a Eurocurrency Rate Loan.

“UCC” means the Uniform Commercial Code in effect in the State of New York.

“Unfunded Pension Liability” means the excess of a Pension Plan’s benefit liabilities under Section 4001(a)(16) of ERISA, over the current value of that Pension Plan’s assets, determined in accordance with the assumptions used for funding the Pension Plan pursuant to Section 412 of the Code for the applicable plan year.

“United States” and “U.S.” mean the United States of America.



“Unreimbursed Amount” has the meaning specified in Section 2.04(c)(i).

“US Guarantors” means collectively Emoteq, MPC, AMOT I, AMOT II, AMOT III, Stature, Globe Inc. and Allied Corp.

“Voting Stock” of any Person means, at any time, the capital stock of such Person that is at the time, entitled to vote in the election of the Board of Directors of such Person.

“Wholly-Owned Subsidiary” shall mean any Subsidiary of the Company all of the outstanding capital stock or other equity interests of every class of which is owned by the Company or another Wholly-Owned Subsidiary of the Company, and which has outstanding no options, warrants, rights or other securities entitling the holder thereof (other than the Company or a Wholly-Owned Subsidiary) to acquire shares of capital stock or other Equity Interests of such Subsidiary.

**1.02 Other Interpretive Provisions.** With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document:

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” The word “will” shall be construed to have the same meaning and effect as the word “shall.” Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document (including any Organizational Document) shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Loan Document), (ii) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (iii) the words “herein,” “hereof” and “hereunder,” and words of similar import when used in any Loan Document, shall be construed to refer to such Loan Document in its entirety and not to any particular provision thereof, (iv) all references in a Loan Document to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, the Loan Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (vi) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(b) In the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including,” the words “to” and “until” each mean “to but excluding,” and the word “through” means “to and including.”

(c) Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

**1.03 Accounting Terms.**

(a) Generally. All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the Audited Financial Statements, except as otherwise specifically prescribed herein.

(b) Changes in GAAP. If at any time any change in GAAP (including the adoption of the IFRS) would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either the Company or the Required Lenders shall so request, the Administrative Agent, the Lenders and the Company shall negotiate in good faith to amend

such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Required Lenders); provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) the Company shall provide to the Administrative Agent and the Lenders financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

**1.04 Rounding.** Any financial ratios required to be maintained by the Borrowers pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

**1.05 Exchange Rates; Currency Equivalents.**

(a) The Administrative Agent or the L/C Issuer, as applicable, shall determine the Spot Rates as of each Revaluation Date to be used for calculating Dollar Equivalent amounts of Credit Extensions and Outstanding Amounts denominated in Alternative Currencies. Such Spot Rates shall become effective as of such Revaluation Date and shall be the Spot Rates employed in converting any amounts between the applicable currencies until the next Revaluation Date to occur. Except for purposes of financial statements delivered by Loan Parties hereunder or calculating financial covenants hereunder or except as otherwise provided herein, the applicable amount of any currency (other than Dollars) for purposes of the Loan Documents shall be such Dollar Equivalent amount as so determined by the Administrative Agent or the L/C Issuer, as applicable.

(b) Wherever in this Agreement in connection with a Borrowing, conversion, continuation or prepayment of a Eurocurrency Rate Loan or the issuance, amendment or extension of a Letter of Credit, an amount, such as a required minimum or multiple amount, is expressed in Dollars, but

such Borrowing, Eurocurrency Rate Loan or Letter of Credit is denominated in an Alternative Currency, such amount shall be the relevant Alternative Currency Equivalent of such Dollar amount (rounded to the nearest unit of such Alternative Currency, with 0.5 of a unit being rounded upward), as determined by the Administrative Agent or the L/C Issuer, as the case may be.

(c) The Administrative Agent does not warrant, nor accept responsibility, nor shall the Administrative Agent have any liability with respect to the administration, submission or any other matter related to the rates in the definition of "Eurocurrency Rate" or with respect to any comparable or successor rate thereto.

#### **1.06 Change of Currency.**

(a) Each obligation of the Borrowers to make a payment denominated in the national currency unit of any member state of the European Union that adopts the Euro as its lawful currency after the Closing Date shall be redenominated into Euro at the time of such adoption (in accordance with the EMU Legislation). If, in relation to the currency of any such

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member state, the basis of accrual of interest expressed in this Agreement in respect of that currency shall be inconsistent with any convention or practice in the London interbank market for the basis of accrual of interest in respect of the Euro, such expressed basis shall be replaced by such convention or practice with effect from the date on which such member state adopts the Euro as its lawful currency; provided that if any Borrowing in the currency of such member state is outstanding immediately prior to such date, such replacement shall take effect, with respect to such Borrowing, at the end of the then current Interest Period.

(b) Each provision of this Agreement shall be subject to such reasonable changes of construction as the Administrative Agent may from time to time specify to be appropriate to reflect the adoption of the Euro by any member state of the European Union and any relevant market conventions or practices relating to the Euro.

(c) Each provision of this Agreement also shall be subject to such reasonable changes of construction as the Administrative Agent may from time to time specify to be appropriate to reflect a change in currency of any other country and any relevant market conventions or practices relating to the change in currency.

**1.07 Times of Day.** Unless otherwise specified, all references herein to times of day shall be references to Eastern time in the United States (daylight or standard, as applicable).

**1.08 Letter of Credit Amounts.** Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the Dollar Equivalent of the stated amount of such Letter of Credit in effect at such time; provided, however, that with respect to any Letter of Credit that, by its terms or the terms of any Issuer Document related thereto, provides for one or more automatic increases in the stated amount thereof, the amount of such Letter of Credit shall be deemed to be the Dollar Equivalent of the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such time.

#### **1.09 Additional Alternative Currencies.**

(a) The Company may from time to time request that Eurocurrency Rate Loans be made and/or Letters of Credit be issued in a currency other than those specifically listed in the definition of "Alternative Currency"; provided that (i) such requested currency is a lawful currency that is readily available and freely transferable and convertible into Dollars and (ii) such requested currency shall only be treated as a "LIBOR Quoted Currency" to the extent that there is published LIBOR rate for such currency. In the case of any such request with respect to the making of Eurocurrency Rate Loans, such request shall be subject to the approval of the Administrative Agent and each Lender with a Commitment under which such currency is requested to be made available; and in the case of any such request with respect to the issuance of Letters of Credit, such request shall be subject to the approval of the Administrative Agent and the L/C Issuer.

(b) Any such request shall be made to the Administrative Agent not later than 11:00 a.m., twenty (20) Business Days prior to the date of the desired Credit Extension (or such other time or date as may be agreed by the Administrative Agent and, in the case of any such

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request pertaining to Letters of Credit, the L/C Issuer, in its or their sole discretion). In the case of any such request pertaining to Eurocurrency Rate Loans, the Administrative Agent shall promptly notify each Lender thereof; and in the case of any such request pertaining to Letters of Credit, the Administrative Agent shall promptly notify the L/C Issuer thereof. Each Lender (in the case of any such request pertaining to Eurocurrency Rate Loans) or the L/C Issuer (in the case of a request pertaining to Letters of Credit) shall notify the Administrative Agent, not later than 11:00 a.m., ten (10) Business Days after receipt of such request whether it consents, in its sole discretion, to the making of Eurocurrency Rate Loans or the issuance of Letters of Credit, as the case may be, in such requested currency.

(c) Any failure by a Lender or the L/C Issuer, as the case may be, to respond to such request within the time period specified in the preceding sentence shall be deemed to be a refusal by such Lender or the L/C Issuer, as the case may be, to permit Eurocurrency Rate Loans to be made or Letters of Credit to be issued in such requested currency. If the Administrative Agent and all the Lenders consent to making Eurocurrency Rate Loans in such requested currency and the Administrative Agent and such Lenders reasonably determine that an appropriate interest rate is available to be used for such requested currency, the Administrative Agent shall so notify the Company and (i) the Administrative Agent and such Lenders may amend the definition of Eurocurrency Rate for any Non-LIBOR Quoted Currency to the extent necessary to add the applicable Eurocurrency Rate for such currency and (ii) to the extent the definition of Eurocurrency Rate reflects the appropriate interest rate for such currency or has been amended to reflect the appropriate rate for such currency, such currency shall thereupon be deemed for all purposes to be an Alternative Currency for purposes of any Borrowings of Eurocurrency Rate Loans. If the Administrative Agent and the L/C Issuer consent to the issuance of Letters of Credit in such requested currency, the Administrative Agent shall so notify the Company and (A) the Administrative Agent and the L/C Issuer may amend the definition of Eurocurrency Rate for any Non-LIBOR Quoted Currency to the extent necessary to add the applicable Eurocurrency Rate for such currency and (B) to the extent the definition of Eurocurrency Rate reflects

the appropriate interest rate for such currency or has been amended to reflect the appropriate rate for such currency, such currency shall thereupon be deemed for all purposes to be an Alternative Currency, for purposes of any Letter of Credit issuances. If the Administrative Agent shall fail to obtain consent to any request for an additional currency under this Section 1.09, the Administrative Agent shall promptly so notify the Company.

### 1.10 Dutch Terms.

In this Agreement, where it relates to a Dutch entity, a reference to:

- (a) a necessary corporate or other organizational action, where applicable, includes without limitation:
  - (i) any action required to comply with the Dutch Works Council Act (*Wet op de ondernemingsraden*); and
  - (ii) obtaining unconditional positive advice (*advies*) from each competent works council;

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- (b) a bankruptcy or insolvency includes a Dutch entity being:
  - (i) declared bankrupt (*failliet verklaard*);
  - (ii) dissolved (*ontbonden*);
- (c) a moratorium includes *surseance van betaling* and granted a moratorium includes *surseance verleend*;
- (d) a trustee in bankruptcy includes a *curator*;
- (e) an administrator includes a *bewindvoerder*;
- (f) a receiver or an administrative receiver does not include a *curator* or *bewindvoerder*; and
- (g) an attachment includes a *beslag*.

## ARTICLE II

### THE COMMITMENTS AND CREDIT EXTENSIONS

#### 2.01 The Term Loans.

(a) Subject to the terms and conditions set forth herein, and upon receipt by the Administrative Agent of a Term Loan Notice from the Company, each Lender severally agrees to fund its Applicable Percentage of the Term Loans in the full amount of such Lender's Term Loan Commitment (the "Term Loan"), provided that the maximum amount of the Term Loans shall in no event exceed the Aggregate Term Loan Commitments. Principal amounts of the Term Loans that have been repaid or prepaid may not be reborrowed.

(b) The Company shall pay the principal balance of the Term Loans in Dollars in twenty (20) installments as follows: four (4) quarterly installments, each in the amount of \$1,250,000, payable on the last Business Day of each December, March, June and September through and including September 30, 2014, followed by four (4) quarterly installments, each in the amount of \$1,500,000 payable on the last Business Day of each December, March, June, and September through and including September 30, 2015, followed by four (4) quarterly installments, each in the amount of \$1,875,000, payable on the last day of each December, March, June and September, through and including September 30, 2016 followed by four (4) quarterly installments, each in the amount of \$2,593,750, payable on the last Business Day of each December, March, June and September through and including September 30, 2017, followed by four (4) quarterly installments, each in the amount of \$2,593,000, payable on December 31, 2017, March 31, 2018, June 30, 2018 and September 30, 2018, followed by one (1) final installment on the Term Loan Maturity Date in an amount equal to the then unpaid principal of and interest on the Term Loans. The Company agrees that on each date when a payment is due under the Term Loans, the Administrative Agent may debit the amount of such payment from deposit account number [ ] owned by the Company and

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maintained at Bank of America, N.A., or such other of the Company's accounts with Bank of America, N.A. as designated in writing by the Company; provided that the Company may terminate its direct debit arrangement by sending written notice to the Administrative Agent.

**2.02 Revolving Loans.**(a) Subject to the terms and conditions set forth herein, each Lender severally agrees to make loans to the Company (each such loan, a "Domestic Revolving Loan") in Dollars on any Business Day during the Availability Period, or loans to Allied B.V. (each such loan, a "Foreign Revolving Loan") in Alternative Currency on a Business Day during the Availability Period in an aggregate amount that will not result in the Outstanding Amount of Revolving Loans of such Lender exceeding the lesser of (i) such Lender's Revolving Loan Commitment at such time or (ii) an amount equal to such Lender's Applicable Percentage of the Borrowing Capacity; provided, however, that after giving effect to any Revolving Loan, (A) the Total Revolving Outstandings shall not exceed the Aggregate Revolving Loan Commitments, (B) the aggregate Outstanding Amount of the Revolving Loans of any Lender, plus such Lender's Applicable Percentage of the Outstanding Amount of all L/C Obligations, shall not exceed such Lender's Commitment, (C) the Outstanding Amount of Revolving Loans to the Borrowers shall not exceed the Borrowing Capacity, and (D) the Outstanding Amount of all Foreign Revolving Loans shall not exceed the Foreign Revolving Sublimit. Within the limits of each Lender's Commitment, and subject to the other terms and conditions hereof, the Borrowers may borrow under this Section 2.02(a), prepay under Section 2.06, and reborrow under this Section 2.02(a). Domestic Revolving Loans may be Base Rate Loans or Eurocurrency Rate Loans, as further provided herein.

(b) Each Borrower shall repay to the Lenders on the Revolving Loan Maturity Date the aggregate principal amount of Revolving Loans made to such Borrower outstanding on such date.

## 2.03 **Borrowings, Conversions and Continuations of Loans.**

### (a) **Term Loans.**

(i) The Borrowing of the Term Loan and each conversion of Loans which are portions of the Term Loan from one Type to the other, and each continuation of portions of the Term Loans which are Eurocurrency Rate Loans shall be made upon the Company's irrevocable notice to the Administrative Agent, which may be given by telephone. Each such notice must be received by the Administrative Agent not later than 11:00 a.m. (A) three Business Days prior to Funding Date for the initial Borrowing of the Term Loans or the conversion to or continuation of Eurocurrency Rate Loans denominated in Dollars or of any conversion of portions of the Term Loans which are Eurocurrency Rate Loans denominated in Dollars to Base Rate Loans, and (B) on the Funding Date in the case of any Borrowing of portions of the Term Loans which are Base Rate Loans. Each telephonic notice by the Company pursuant to this Section 2.03(a) (i) must be confirmed promptly by delivery to the Administrative Agent of a written Term Loan Notice, appropriately completed and signed by a Responsible Officer of the Company. Each Borrowing of, conversion to or continuation of portions of the Term Loans which are Eurocurrency Rate Loans shall be in a principal amount of \$1,000,000 or a whole multiple of \$100,000 in excess thereof. Each Term Loan Notice shall specify (w) the Borrowing of the Term Loan or a conversion of a portion of the Term Loans from one Type to

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the other, or a continuation of Eurocurrency Rate Loans, (x) the requested date of conversion or continuation, as the case may be (which shall be a Business Day), (y) the principal amount of Term Loans to be converted or continued, and (z) if applicable, the duration of the Interest Period with respect thereto. If the Company fails to specify a Type of Loan in a portion of the Term Loan or if the Company fails to give a timely notice requesting a conversion or continuation, then the applicable portion of the Term Loans shall be made as, or converted to, Base Rate Loans. Any automatic conversion to Base Rate Loans shall be effective as of the last day of the Interest Period then in effect with respect to the applicable Eurocurrency Rate Loans. If the Company requests a Borrowing of, conversion to, or continuation of Eurocurrency Rate Loans in any such Term Loan Notice, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one month.

(ii) Except as otherwise provided herein, a Eurocurrency Rate Loan may be continued or converted only on the last day of an Interest Period for such Eurocurrency Rate Loan. During the existence of a Default, no portions of the Term Loans may be converted to or continued as Eurocurrency Rate Loans without the consent of the Required Lenders.

(iii) The Administrative Agent shall promptly notify the Company and the Lenders of the interest rate applicable to any Interest Period for Eurocurrency Rate Loans upon determination of such interest rate. At any time that Base Rate Loans are outstanding, the Administrative Agent shall notify the Company and the Lenders of any change in Bank of America's prime rate used in determining the Base Rate promptly following the public announcement of such change.

(iv) There shall not be more than six (6) Interest Periods in effect with respect to Term Loans.

### (b) **Revolving Loans.**

(i) Each conversion of Revolving Loans from one Type to the other, and each continuation of Revolving Loans which are Eurocurrency Rate Loans shall be made upon the applicable Borrower's irrevocable notice to the Administrative Agent, which may be given by telephone. Each such notice must be received by the Administrative Agent not later than 11:00 a.m. (A) three Business Days prior to the requested date of any Borrowing of, conversion to or continuation of Eurocurrency Rate Loans denominated in Dollars or of any conversion of Eurocurrency Rate Loans denominated in Dollars to Base Rate Revolving Loans, (B) four Business Days (or five Business Days in the case of a Special Notice Currency) prior to the requested date of any Revolving Borrowing or continuation of Revolving Loans denominated in Alternative Currency. Each telephonic notice pursuant to this Section 2.03(b)(i) must be confirmed promptly by delivery to the Administrative Agent of a written Revolving Loan Notice, appropriately completed and signed by a Responsible Officer of the applicable Borrower. Each Revolving Borrowing of, conversion to or continuation of Eurocurrency Rate Loans shall be in a principal amount of \$500,000 or a whole multiple of \$100,000 in excess thereof. Except as provided in Sections 2.04(c) each Borrowing of or conversion to Base Rate Revolving Loans shall be in a principal amount of \$500,000 or a whole multiple of \$100,000 in excess thereof. Each Revolving Loan Notice (whether telephonic or written) shall specify (v) whether a Borrower is requesting a Revolving Loan, a conversion of Revolving Loans from one Type to

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the other, or a continuation of Revolving Loans which are Eurocurrency Rate Loans, (w) the requested date of the Revolving Loan, conversion or continuation, as the case may be (which shall be a Business Day), (x) the principal amount of Revolving Loans to be borrowed, converted or continued, (y) the Type of Revolving Loans to be borrowed or to which existing Revolving Loans are to be converted, and (z) if applicable, the duration of the Interest Period with respect thereto. If either Borrower fails to specify a Type of Revolving Loan in a Revolving Loan Notice or if either Borrower fails to give a timely notice requesting a conversion or continuation, then the applicable Revolving Loans shall be made as, or converted to, Base Rate Loans; provided, however, that in the case of a failure to timely request a continuation of Revolving Loans denominated in Alternative Currency, such Revolving Loans shall be continued as Eurocurrency Rate Loans in their original currency with an Interest Period of one month. Any automatic conversion to Base Rate Loans shall be effective as of the last day of the Interest Period then in effect with respect to the applicable Eurocurrency Rate Loans. If either Borrower requests a Borrowing of, conversion to, or continuation of Eurocurrency Rate Loans in any such Revolving Loan Notice, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one month. No Revolving Loan may be converted into or continued as a Revolving Loan denominated in a different currency, but instead must be prepaid in the original currency of such Revolving Loan, and in the case of Revolving Loans, reborrowed in the other currency.

(ii) Following receipt of a Revolving Loan Notice from either Borrower, the Administrative Agent shall promptly notify each Lender of the amount (and currency) of its Applicable Percentage of the applicable Revolving Loans, and if no timely notice of a conversion or continuation is provided by the Company, the Administrative Agent shall notify each Lender of the details of any automatic conversion to Base Rate Loans or continuation

of Domestic Revolving Loans, in each case as described in the preceding subsection. Each Lender shall make the amount of its Revolving Loan available to the Administrative Agent in Same Day Funds at the Administrative Agent's Office for the applicable currency not later than 1:00 p.m., in the case of any Domestic Revolving Loan, and not later than the Applicable Time specified by the Administrative Agent in the case of any Foreign Revolving Loan, in each case on the Business Day specified in the applicable Revolving Loan Notice. Upon satisfaction of the applicable conditions set forth in Section 4.02 (and, if such Borrowing is the initial Credit Extension, Section 4.01), the Administrative Agent shall make all funds so received available to the applicable Borrower in like funds as received by the Administrative Agent either by (i) crediting the account of such Borrower on the books of Bank of America with the amount of such funds or (ii) wire transfer of such funds, in each case in accordance with instructions provided to (and reasonably acceptable to) the Administrative Agent by the applicable Borrower; provided, however, that if, on the date the Revolving Loan Notice with respect is given, there are L/C Borrowings outstanding to the applicable Borrower, then the proceeds of such Borrowing, first, shall be applied to the payment in full of any such L/C Borrowings, and, second, shall be made available to the applicable Borrower as provided above.

(iii) Except as otherwise provided herein, a Eurocurrency Rate Loan may be continued or converted only on the last day of an Interest Period for such Eurocurrency Rate Loan. During the existence of a Default, no portions of the Revolving Loans may be converted to or continued as Eurocurrency Rate Loans (whether in Dollars or any Alternative Currency) without the consent of the Required Lenders, and the Required Lenders may demand

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that any or all of the then outstanding Eurocurrency Rate Loans denominated in Dollars be converted immediately to Base Rate Loans and any or all of the then outstanding Eurocurrency Loans denominated in an Alternative Currency be prepaid, or redenominated into Dollars in the amount of the Dollar Equivalent thereof, on the last day of the then current Interest Period with respect thereto.

(iv) The Administrative Agent shall promptly notify the Company and the Lenders of the interest rate applicable to any Interest Period for Eurocurrency Rate Loans upon determination of such interest rate. At any time that Base Rate Loans are outstanding, the Administrative Agent shall notify the Company and the Lenders of any change in Bank of America's prime rate used in determining the Base Rate promptly following the public announcement of such change.

(v) After giving effect to all new Revolving Loans, all conversions of Revolving Loans from one Type to the Other, and all continuations of Revolving Loans as the same type, here shall not be more than eight Interest Periods in effect with respect to Revolving Loans.

## **2.04 Letters of Credit.**

### **(a) The Letter of Credit Commitment.**

(i) Subject to the terms and conditions set forth herein, (A) the L/C Issuer agrees, in reliance upon the agreements of the Lenders set forth in this Section 2.04, (1) from time to time on any Business Day during the period from the Funding Date until the Letter of Credit Expiration Date, to issue Letters of Credit denominated in Dollars or in one or more Alternative Currencies, and to amend or extend Letters of Credit previously issued by it, in accordance with subsection (b) below, and (2) to honor drawings under the Letters of Credit; and (B) the Lenders severally agree to participate in Letters of Credit issued for the account of the Company or Allied B.V. and any drawings thereunder; provided that after giving effect to any L/C Credit Extension with respect to any Letter of Credit, (x) the Total Revolving Outstandings shall not exceed the Aggregate Revolving Loan Commitments, (y) the aggregate Outstanding Amount of the Revolving Loans of any Lender, shall not exceed such Lender's Commitment, (z) the Outstanding Amount of the L/C Obligations for each Borrower shall not exceed such Borrower's Letter of Credit Sublimit. Each request by a Borrower for the issuance or amendment of a Letter of Credit shall be deemed to be a representation by the Borrowers that the L/C Credit Extension so requested complies with the conditions set forth in the proviso to the preceding sentence. Within the foregoing limits, and subject to the terms and conditions hereof, the Borrowers' ability to obtain Letters of Credit shall be fully revolving, and accordingly the Borrowers may, during the foregoing period, obtain Letters of Credit to replace Letters of Credit that have expired or that have been drawn upon and reimbursed.

(ii) The L/C Issuer shall not issue any Letter of Credit, if:

(A) subject to Section 2.04(b)(iii), the expiry date of such requested Letter of Credit would occur more than twelve months after the

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date of issuance or last extension, unless the Required Lenders have approved such expiry date; or

(B) the expiry date of such requested Letter of Credit would occur after the Letter of Credit Expiration Date, unless all the Lenders have approved such expiry date.

(iii) The L/C Issuer shall not be under any obligation to issue any Letter of Credit if:

(A) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain the L/C Issuer from issuing such Letter of Credit, or any Law applicable to the L/C Issuer or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over the L/C Issuer shall prohibit, or request that the L/C Issuer refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon the L/C Issuer with respect to such Letter of Credit any restriction, reserve or capital requirement (for which the L/C Issuer is not otherwise compensated hereunder) or shall impose upon the L/C Issuer any unreimbursed loss, cost or expense and which the L/C Issuer in good faith deems material to it;

(B) the issuance of such Letter of Credit would violate one or more policies of the L/C Issuer applicable to letters of credit generally;

- (C) such Letter of Credit is to be denominated in a currency other than Dollars or Alternative Currency;
- (D) such Letter of Credit contains any provisions for automatic reinstatement of the stated amount after any drawing thereunder;
- (E) any Lender is at such time an Impacted Lender, unless the L/C Issuer has entered into arrangements satisfactory to the L/C Issuer with the Borrowers and/or such Impacted Lender to eliminate such L/C Issuer's risk with respect to such Impacted Lender; or
- (F) the L/C Issuer does not as of the issuance date of such requested Letter of Credit issue Letters of Credit in the requested currency.

(iv) The L/C Issuer shall not amend any Letter of Credit if the L/C Issuer would not be permitted at such time to issue such Letter of Credit in its amended form under the terms hereof.

(v) The L/C Issuer shall be under no obligation to amend any Letter of Credit if (A) the L/C Issuer would have no obligation at such time to issue such Letter of Credit in its amended form under the terms hereof, or (B) the beneficiary of such Letter of Credit does not accept the proposed amendment to such Letter of Credit.

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(vi) The L/C Issuer shall act on behalf of the Lenders with respect to any Letters of Credit issued by it and the documents associated therewith, and the L/C Issuer shall have all of the benefits and immunities (A) provided to the Administrative Agent in Article IX with respect to any acts taken or omissions suffered by the L/C Issuer in connection with Letters of Credit issued by it or proposed to be issued by it and Issuer Documents pertaining to such Letters of Credit as fully as if the term "Administrative Agent" as used in Article IX included the L/C Issuer with respect to such acts or omissions, and (B) as additionally provided herein with respect to the L/C Issuer.

(b) **Procedures for Issuance and Amendment of Letters of Credit; Auto-Extension Letters of Credit.**

(i) Each Letter of Credit shall be issued or amended, as the case may be, upon the request of the Company or Allied B.V. delivered to the L/C Issuer (with a copy to the Administrative Agent) in the form of a Letter of Credit Application, appropriately completed and signed by a Responsible Officer of the applicable Borrower. Such Letter of Credit Application must be received by the L/C Issuer and the Administrative Agent not later than 11:00 a.m. at least two Business Days (or such later date and time as the Administrative Agent and the L/C Issuer may agree in a particular instance in their sole discretion) prior to the proposed issuance date or date of amendment, as the case may be. In the case of a request for an initial issuance of a Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to the L/C Issuer: (A) the proposed issuance date of the requested Letter of Credit (which shall be a Business Day); (B) the amount and currency thereof; (C) the expiry date thereof; (D) the name and address of the beneficiary thereof; (E) the documents to be presented by such beneficiary in case of any drawing thereunder; (F) the full text of any certificate to be presented by such beneficiary in case of any drawing thereunder; and (G) such other matters as the L/C Issuer may require. In the case of a request for an amendment of any outstanding Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to the L/C Issuer: (A) the Letter of Credit to be amended; (B) the proposed date of amendment thereof (which shall be a Business Day); (C) the nature of the proposed amendment; and (D) such other matters as the L/C Issuer may require. Additionally, applicable Borrower shall furnish to the L/C Issuer and the Administrative Agent such other documents and information pertaining to such requested Letter of Credit issuance or amendment, including any Issuer Documents, as the L/C Issuer or the Administrative Agent may require.

(ii) Promptly after receipt of any Letter of Credit Application, the L/C Issuer will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has received a copy of such Letter of Credit Application from the Company or Allied B.V. and, if not, the L/C Issuer will provide the Administrative Agent with a copy thereof. Unless the L/C Issuer has received written notice from any Lender, the Administrative Agent or any Loan Party, at least one Business Day prior to the requested date of issuance or amendment of the applicable Letter of Credit, that one or more applicable conditions contained in Article IV shall not then be satisfied, then, subject to the terms and conditions hereof, the L/C Issuer shall, on the requested date, issue a Letter of Credit for the account of the Company or Allied B.V., as applicable or enter into the applicable amendment, as the case may be, in each case in accordance with the L/C Issuer's usual and customary business practices. Immediately upon the issuance of each Letter of Credit, each Lender shall be deemed to, and

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hereby irrevocably and unconditionally agrees to, purchase from the L/C Issuer a risk participation in such Letter of Credit in an amount equal to the product of such Lender's Applicable Percentage times the amount of such Letter of Credit.

(iii) If the Company or Allied B.V. so requests in any applicable Letter of Credit Application, the L/C Issuer may, in its sole and absolute discretion, agree to issue a Letter of Credit that has automatic extension provisions (each, an "Auto-Extension Letter of Credit"); provided that any such Auto-Extension Letter of Credit must permit the L/C Issuer to prevent any such extension at least once in each twelve-month period (commencing with the date of issuance of such Letter of Credit) by giving 30-days' prior notice to the beneficiary thereof (the "Non-Extension Notice Date"). Unless otherwise directed by the L/C Issuer, the applicable Borrower shall not be required to make a specific request to the L/C Issuer for any such extension. Once an Auto-Extension Letter of Credit has been issued, the Lenders shall be deemed to have authorized (but may not require) the L/C Issuer to permit the extension of such Letter of Credit at any time to an expiry date not later than the Letter of Credit Expiration Date; provided, however, that the L/C Issuer shall not permit any such extension if (A) the L/C Issuer has determined that it would not be permitted at such time to issue such Letter of Credit in its revised form (as extended) under the terms hereof (by reason of the provisions of clause (ii) of Section 2.04(a) or otherwise), or (B) it has received notice (which may be by telephone or in writing) on or before the day that is five Business Days before the Non-Extension Notice Date (1) from the Administrative Agent that the Required Lenders have elected not to permit such extension or (2) from the Administrative Agent, any Lender or the Company or Allied B.V., as applicable, that one or more of the applicable conditions specified in Section 4.02 is not then satisfied, and in each such case directing the L/C Issuer not to permit such extension.

(iv) Promptly after its delivery of any Letter of Credit or any amendment to a Letter of Credit to an advising bank with respect thereto or to the beneficiary thereof, the L/C Issuer will also deliver to the Company or Allied B.V. and the Administrative Agent a true and complete copy of such Letter of Credit or amendment.

(c) **Drawings and Reimbursements; Funding of Participations.**

(i) Upon receipt from the beneficiary of any Letter of Credit of any notice of a drawing under such Letter of Credit, the L/C Issuer shall notify the applicable Borrower and the Administrative Agent thereof. In the case of a Letter of Credit denominated in an Alternative Currency, the applicable Borrower shall reimburse the L/C Issuer in such Alternative Currency, unless (A) the L/C Issuer (at its option) shall have specified in such notice that it will require reimbursement in Dollars, or (B) in the absence of any such requirement for reimbursement in Dollars, the applicable Borrower shall have notified the L/C Issuer promptly following receipt of the notice of drawing that the applicable Borrower will reimburse the L/C Issuer in Dollars. In the case of any such reimbursement in Dollars of a drawing under a Letter of Credit denominated in an Alternative Currency, the L/C Issuer shall notify the applicable Borrower of the Dollar Equivalent of the amount of the drawing promptly following the determination thereof. Not later than 11:00 a.m. on the date of any payment by the L/C Issuer under a Letter of Credit to be reimbursed in Dollars, or the Applicable Time on the date of any payment by the L/C Issuer under a Letter of Credit to be reimbursed in an Alternative Currency (each such date, an "Honor Date"), the applicable Borrower shall reimburse the L/C Issuer

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through the Administrative Agent in an amount equal to the amount of such drawing and in the applicable currency. If the applicable Borrower fails to so reimburse the L/C Issuer by such time, the Administrative Agent shall promptly notify each Lender of the Honor Date, the amount of the unreimbursed drawing (expressed in Dollars in the amount of the Dollar Equivalent thereof in the case of a Letter of Credit denominated in an Alternative Currency) (the "Unreimbursed Amount"), and the amount of such Lender's Applicable Percentage thereof. In such event, the applicable Borrower shall be deemed to have requested a Revolving Loan of Base Rate Loans to be disbursed on the Honor Date in an amount equal to the Unreimbursed Amount, without regard to the minimum and multiples specified in Section 2.02 for the principal amount of Base Rate Loans, but subject to the amount of the unutilized portion of the Aggregate Commitments and the conditions set forth in Section 4.02 (other than the delivery of a Revolving Loan Notice). Any notice given by the L/C Issuer or the Administrative Agent pursuant to this Section 2.04(c)(i) may be given by telephone if immediately confirmed in writing; provided that the lack of such an immediate confirmation shall not affect the conclusiveness or binding effect of such notice.

(ii) Each Lender shall upon any notice pursuant to Section 2.04(c)(i) make funds available to the Administrative Agent for the account of the L/C Issuer, in Dollars, at the Administrative Agent's Office for Dollar-denominated payments in an amount equal to its Applicable Percentage of the Unreimbursed Amount not later than 1:00 p.m. on the Business Day specified in such notice by the Administrative Agent, whereupon, subject to the provisions of Section 2.04(c)(iii), each Lender that so makes funds available shall be deemed to have made a Base Rate Revolving Loan to the Company in such amount. The Administrative Agent shall remit the funds so received to the L/C Issuer in Dollars.

(iii) With respect to any Unreimbursed Amount that is not fully refinanced by a Revolving Loan of Base Rate Loans because the conditions set forth in Section 4.02 cannot be satisfied or for any other reason, the Company shall be deemed to have incurred from the L/C Issuer an L/C Borrowing in the amount of the Unreimbursed Amount that is not so refinanced, which L/C Borrowing shall be due and payable on demand (together with interest) and shall bear interest at the Default Rate. In such event, each Lender's payment to the Administrative Agent for the account of the L/C Issuer pursuant to Section 2.04(c)(ii) shall be deemed payment in respect of its participation in such L/C Borrowing and shall constitute an L/C Advance from such Lender in satisfaction of its participation obligation under this Section 2.04.

(iv) Until each Lender funds its Revolving Loan or L/C Advance pursuant to this Section 2.04(c) to reimburse the L/C Issuer for any amount drawn under any Letter of Credit, interest in respect of such Lender's Applicable Percentage of such amount shall be solely for the account of the L/C Issuer.

(v) Each Lender's obligation to make Revolving Loans or L/C Advances to reimburse the L/C Issuer for amounts drawn under Letters of Credit, as contemplated by this Section 2.04(c), shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against the L/C Issuer, the Company, any Subsidiary or any other Person for any reason whatsoever; (B) the occurrence or continuance of a Default, or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing;

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provided, however, that each Lender's obligation to make Revolving Loans pursuant to this Section 2.04(c) is subject to the conditions set forth in Section 4.02 (other than delivery by the Company of a Revolving Loan Notice). No such making of an L/C Advance shall relieve or otherwise impair the obligation of the Company to reimburse the L/C Issuer for the amount of any payment made by the L/C Issuer under any Letter of Credit, together with interest as provided herein.

(vi) If any Lender fails to make available to the Administrative Agent for the account of the L/C Issuer any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.04(c) by the time specified in Section 2.04(c)(ii), the L/C Issuer shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the L/C Issuer at a rate per annum equal to the applicable Overnight Rate from time to time in effect, plus any administrative, processing or similar fees customarily charged by the L/C Issuer in connection with the foregoing. If such Lender pays such amount (with interest and fees as aforesaid), the amount so paid shall constitute such Lender's Revolving Loan included in the relevant Borrowing or L/C Advance in respect of the relevant L/C Borrowing, as the case may be. A certificate of the L/C Issuer submitted to any Lender (through the Administrative Agent) with respect to any amounts owing under this clause (vi) shall be conclusive absent manifest error.

(d) **Repayment of Participations.**

(i) At any time after the L/C Issuer has made a payment under any Letter of Credit and has received from any Lender such Lender's L/C Advance in respect of such payment in accordance with Section 2.04(c), if the Administrative Agent receives for the account of the L/C Issuer

any payment in respect of the related Unreimbursed Amount or interest thereon (whether directly from the Company or Allied B.V. or otherwise, including proceeds of Cash Collateral applied thereto by the Administrative Agent), the Administrative Agent will distribute to such Lender its Applicable Percentage thereof in Dollars and in the same funds as those received by the Administrative Agent.

(ii) If any payment received by the Administrative Agent for the account of the L/C Issuer pursuant to Section 2.04(c)(i) is required to be returned under any of the circumstances described in Section 10.05 (including pursuant to any settlement entered into by the L/C Issuer in its discretion), each Lender shall pay to the Administrative Agent for the account of the L/C Issuer its Applicable Percentage thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned by such Lender, at a rate per annum equal to the applicable Overnight Rate from time to time in effect. The obligations of the Lenders under this clause shall survive the payment in full of the Obligations and the termination of this Agreement.

(e) **Obligations Absolute.** The obligation of the Company or Allied B.V. to reimburse the L/C Issuer for each drawing under each Letter of Credit and to repay each L/C Borrowing shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including the following:

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- (i) any lack of validity or enforceability of such Letter of Credit, this Agreement, or any other Loan Document;
- (ii) the existence of any claim, counterclaim, setoff, defense or other right that the Company or Allied B.V. may have at any time against any beneficiary or any transferee of such Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), the L/C Issuer or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or by such Letter of Credit or any agreement or instrument relating thereto, or any unrelated transaction;
- (iii) any draft, demand, certificate or other document presented under such Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under such Letter of Credit;
- (iv) waiver by the L/C Issuer of any requirement that exists for the L/C Issuer's protection and not the protection of the Borrowers or any waiver by the L/C Issuer which does not in fact materially prejudice the Borrowers;
- (v) honor of a demand for payment presented electronically even if such Letter of Credit requires that demand be in the form of a draft;
- (vi) any payment made by the L/C Issuer in respect of an otherwise complying item presented after the date specified as the expiration date of, or the date by which documents must be received under, such Letter of Credit if presentation after such date is authorized by the UCC or the ISP, as applicable;
- (vii) any payment by the L/C Issuer under such Letter of Credit against presentation of a draft or certificate that does not strictly comply with the terms of such Letter of Credit so long as the L/C Issuer has not acted with gross negligence or willful misconduct; or any payment made by the L/C Issuer under such Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of such Letter of Credit, including any arising in connection with any proceeding under any Debtor Relief Law;
- (viii) any adverse change in the relevant exchange rates or in the availability of the relevant Alternative Currency to Allied B.V. or in the relevant currency markets generally; or
- (ix) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including any other circumstance that might otherwise constitute a defense available to, or a discharge of, any Loan Party.

The Company or Allied B.V. shall promptly examine a copy of each Letter of Credit and each amendment thereto that is delivered to it and, in the event of any claim of noncompliance with the applicable Borrower's instructions or other irregularity, the Company or Allied B.V. will

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promptly notify the L/C Issuer. The Borrowers shall be conclusively deemed to have waived any such claim against the L/C Issuer and its correspondents unless such notice is given as aforesaid.

(f) **Role of L/C Issuer.** Each Lender and each Borrower agree that, in paying any drawing under a Letter of Credit, the L/C Issuer shall not have any responsibility to obtain any document (other than any sight draft, certificates and documents expressly required by the Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of the Person executing or delivering any such document. None of the L/C Issuer, the Administrative Agent, any of their respective Related Parties nor any correspondent, participant or assignee of the L/C Issuer shall be liable to any Lender for (i) any action taken or omitted in connection herewith at the request or with the approval of the Lenders or the Required Lenders, as applicable; (ii) any action taken or omitted in the absence of gross negligence or willful misconduct; or (iii) the due execution, effectiveness, validity or enforceability of any document or instrument related to any Letter of Credit or Issuer Document. The Company hereby assumes all risks of the acts or omissions of any beneficiary or transferee with respect to its use of any Letter of Credit; provided, however, that this assumption is not intended to, and shall not, preclude the Company's pursuing such rights and remedies as it may have against the beneficiary or transferee at law or under any other agreement. None of the L/C Issuer, the Administrative Agent, any of their respective Related Parties nor any correspondent, participant or assignee of the L/C Issuer shall be liable or responsible for any of the matters described in clauses (i) through (vi) of Section 2.04(e). In furtherance and not in limitation of the foregoing, the L/C Issuer may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary, and, in the absence of the L/C Issuer's gross negligence or willful misconduct, the L/C Issuer shall not be responsible for the



validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason.

(g) **Cash Collateral.**

(i) Upon the request of the Administrative Agent, (A) if the L/C Issuer has honored any full or partial drawing request under any Letter of Credit and such drawing has resulted in an L/C Borrowing, or (B) if, as of the Letter of Credit Expiration Date, any L/C Obligation for any reason remains outstanding, the Company shall, in each case, immediately Cash Collateralize the then Outstanding Amount of all L/C Obligations in an amount equal to 103% of the Outstanding Amount thereof.

(ii) In addition, if the Administrative Agent notifies any Borrower at any time that the Outstanding Amount of all L/C Obligations at such time exceeds the Letter of Credit Sublimit, then, within two Business Days after receipt of such notice, the applicable Borrower shall Cash Collateralize the L/C Obligations in an amount equal to the amount by which the Outstanding Amount of all L/C Obligations exceeds the Letter of Credit Sublimit.

(iii) Sections 2.05 and 8.02(c) set forth certain additional requirements to deliver Cash Collateral hereunder. For purposes of this Section 2.04, Section 2.05 and Section 8.02(c), “Cash Collateralize” means to pledge and deposit with or deliver to the

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Administrative Agent, for the benefit of the L/C Issuer and the Lenders, as collateral for the L/C Obligations, cash or deposit account balances (“Cash Collateral”) pursuant to documentation in form and substance satisfactory to the Administrative Agent and the L/C Issuer (which documents are hereby consented to by the Lenders). Derivatives of such term have corresponding meanings. The Borrowers hereby grant to the Administrative Agent, for the benefit of the L/C Issuer and the Lenders, a security interest in all such cash, deposit accounts and all balances therein and all proceeds of the foregoing. Cash Collateral shall be maintained in blocked, non-interest bearing deposit accounts at Bank of America.

(h) **Applicability of ISP.** Unless otherwise expressly agreed by the L/C Issuer and the applicable Borrower when a Letter of Credit is issued, the rules of the ISP shall apply to each Letter of Credit.

(i) **Letter of Credit Fees.** Each Borrower shall pay to the Administrative Agent for the account of each Lender in accordance with its Applicable Percentage, in Dollars, a Letter of Credit fee (the “Letter of Credit Fee”) for each Letter of Credit issued for the account of such Borrower equal to the Applicable Rate times the Dollar Equivalent of the daily amount available to be drawn under such Letter of Credit. For purposes of computing the daily amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.08. Letter of Credit Fees shall be (i) due and payable on the last Business Day of each March, June, September and December, commencing with the first such date to occur after the issuance of such Letter of Credit, on the Letter of Credit Expiration Date and thereafter on demand and (ii) computed on a quarterly basis in arrears. If there is any change in the Applicable Rate during any quarter, the daily amount available to be drawn under each Letter of Credit shall be computed and multiplied by the Applicable Rate separately for each period during such quarter that such Applicable Rate was in effect. Notwithstanding anything to the contrary contained herein, upon the request of the Required Lenders, while any Event of Default exists, all Letter of Credit Fees shall accrue at the Default Rate.

(j) **Fronting Fee and Documentary and Processing Charges Payable to L/C Issuer.** The applicable Borrower shall pay directly to the L/C Issuer for its own account, a fronting fee with respect to each Letter of Credit issued for the account of such Borrower in the amount set forth in the Agency Fee Letter. Such fronting fee shall be due and payable in Dollars on the last Business Day of each March, June, September and December, in respect of the most recently-ended quarterly period (or portion thereof, in the case of the first payment), commencing with the first such date to occur after the issuance of such Letter of Credit, on the Letter of Credit Expiration Date and thereafter on demand. For purposes of computing the daily amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.08. In addition, the applicable Borrower shall pay directly to the L/C Issuer for its own account, the customary issuance, presentation, amendment and other processing fees, and other standard costs and charges, of the L/C Issuer relating to letters of credit issued for the account of such Borrower as from time to time in effect. Such customary fees and standard costs and charges are due and payable on demand and are nonrefundable.

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(k) **Conflict with Issuer Documents.** In the event of any conflict between the terms hereof and the terms of any Issuer Document, the terms hereof shall control.

**2.05 Prepayments.**

(a) **Voluntary Prepayment of Loans.** A Borrower may, upon notice from such Borrower to the Administrative Agent, at any time or from time to time voluntarily prepay Revolving Loans or the Term Loan in whole or in part without premium or penalty; provided that (i) such notice must be received by the Administrative Agent not later than 11:00 a.m. (A) three Business Days prior to any date of prepayment of Eurocurrency Rate Loans, and (B) on the date of prepayment of Base Rate Revolving Loans; (ii) any prepayment of Eurocurrency Rate Loans denominated in Dollars shall be in a principal amount of \$1,000,000 or a whole multiple of \$100,000 in excess thereof in the case of portions of the Term Loan and in a minimum amount of \$500,000 or whole multiples of \$100,000 in excess thereof in the case of Revolving Loans; and (iii) any prepayment of Base Rate Revolving Loans shall be in a principal amount of \$500,000 or a whole multiple of \$100,000 in excess thereof; or, in each of the foregoing cases, if less, the entire principal amount thereof then outstanding. Each such notice shall specify the date and amount of such prepayment and the Type(s) of Loans to be prepaid and, if Eurocurrency Rate Loans are to be prepaid, the Interest Period(s) of such Loans. The Administrative Agent will promptly notify each Lender of its receipt of each such notice, and of the amount of such Lender’s Applicable Percentage of such prepayment. The applicable Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein. Any prepayment of a Eurocurrency Rate Loan shall be accompanied by all accrued interest on the amount prepaid, together with any additional amounts required pursuant to Section 3.05. Each such prepayment shall be applied to the Revolving Loans of the Lenders or the Term Loan, as applicable, in accordance with the Lenders’ respective Applicable Percentages.

(b) **Mandatory Prepayment - Borrowing Capacity Exceeded.** If the Administrative Agent notifies the Company at any time that the Total Revolving Outstandings at such time exceed the Aggregate Revolving Loan Commitments or the Borrowing Capacity then in effect, then, within five Business Days after receipt of such notice, the Borrowers shall prepay Revolving Loans and/or Cash Collateralize the L/C Obligations in an aggregate amount equal to such excess.

**2.06 Certain Mandatory Prepayments.** Except to the extent that it is unlawful to perform such obligations or to the extent that the performance of such obligations would result in personal liability of a director or other manager of a Foreign Loan Party:

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(a) **Dispositions.** If any Borrower or any Subsidiary makes any Disposition, other than Dispositions permitted by Section 7.05, the Term Loan shall be repaid and the Aggregate Term Loan Commitments shall be permanently reduced in the amount of the Net Cash Proceeds (determined as of the date of such Disposition, whether or not such Net Cash Proceeds are then received by such Borrower or such Subsidiary) from such Disposition. Nothing in this Section 2.06(a) shall permit any Disposition that is not permitted by Section 7.05.

(b) **Extraordinary Receipts.** Upon the receipt by any Loan Party or any of its Subsidiaries of any Extraordinary Receipts (other than property insurance, condemnation or similar recoveries in an amount not exceeding the Threshold Amount that, within one hundred eighty (180) days after receipt thereof, are applied in the ordinary course of business toward repair or replacement of the damaged property), the Term Loans shall be repaid and Aggregate Term Loan Commitments shall be permanently reduced by an amount equal to 100% of such Extraordinary Receipts, net of any actual expenses incurred in collecting such Extraordinary Receipts.

(c) **Additional Indebtedness.** If the Company or any Subsidiary incurs Indebtedness, including, without limitation, the Portugal Mortgage Loan (as defined in Section 6.15) other than Indebtedness permitted to be incurred pursuant to Section 7.03 (except the Portugal Mortgage Loan), the Term Loans shall be repaid and the Aggregate Term Loan Commitments shall be permanently reduced by the amount of the Net Cash Proceeds from the incurrence of such Indebtedness. Nothing in this Section 2.06(c) shall permit the incurrence of any Indebtedness that is not permitted by Section 7.03.

(d) **Issuance of Additional Equity Interests.** Upon the issuance by the Company or any Subsidiary of any additional Equity Interests, the Term Loan shall be repaid and the Aggregate Term Loan Commitments shall be permanently reduced by an amount equal to 100% of the Net Cash Proceeds from such issuance.

(e) **Excess Cash Flow.** Commencing April 30, 2015, until such time as the principal balance of the Term Loan has been permanently reduced to \$21,000,000, if for any fiscal year of the Borrowers, there shall be Excess Cash Flow for such fiscal year, then on or prior to April 30 of the following fiscal year the Term Loan shall be repaid and the Aggregate Term Loan Commitments shall be permanently reduced by an amount equal to 50% of such Excess Cash Flow.

(f) **Application of Prepayments.** All mandatory prepayments made pursuant to this Section 2.6 shall be applied ratably to installments of the Term Loan in inverse order of maturity.

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## **2.07 Interest.**

(a) Subject to the provisions of subsection (b) below, (i) each Eurocurrency Rate Loan shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to the Eurocurrency Rate for such Interest Period plus the Applicable Rate; and (ii) each Base Rate Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate plus the Applicable Rate.

(b) (i) If any amount of principal of any Loan is not paid when due, whether at stated maturity, by acceleration or otherwise, such amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(ii) If any amount (other than principal of any Loan) payable by any Borrower under any Loan Document is not paid when due, whether at stated maturity, by acceleration or otherwise, then upon the request of the Required Lenders, such amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(iii) Upon the request of the Required Lenders, while any Event of Default exists, the Borrowers shall pay interest on the principal amount of all outstanding Obligations hereunder at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(iv) Accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable upon demand.

(c) Interest on each Loan shall be due and payable by the Borrowers in arrears on each Interest Payment Date applicable thereto and at such other times as may be specified herein. Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law.

## **2.08 Fees.** In addition to certain fees described in subsections (i) and (j) of Section 2.04:

(a) **Commitment Fee.** The Borrowers shall pay to the Administrative Agent for the account of each Lender in accordance with its Applicable Percentage, a commitment fee in Dollars equal to the Applicable Rate times the actual daily amount by which the Aggregate Revolving Loan Commitments exceed the sum of (i) the Outstanding Amount of Revolving Loans plus (ii) the Outstanding Amount of L/C Obligations. The commitment fees shall accrue at all times during the Availability Period, including at any time during which one or more of the conditions in Article IV is not met, and

shall be due and payable quarterly in arrears on the last day of each March, June, September and December, or if the last day of such month is not a Business Day, on the next Business Day thereafter, commencing with the first such date to occur after the Funding Date, and on the last day of the Availability Period. The commitment fee shall be calculated quarterly in arrears, and if there is any change in the Applicable Rate during any

quarter, the actual daily amount shall be computed and multiplied by the Applicable Rate separately for each period during such quarter that such Applicable Rate was in effect.

(b) **Other Fees.** The Borrowers shall pay to the Arrangers and the Administrative Agent for their own respective accounts, in Dollars, fees in the amounts and at the times specified in the Fee Letter and the Agency Fee Letter. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever.

## **2.09 Computation of Interest and Fees; Retroactive Adjustments of Applicable Rate.**

(a) All computations of fees and interest shall be made on the basis of a 360-day year and actual days elapsed (which results in more fees or interest, as applicable, being paid than if computed on the basis of a 365-day year), or, in the case of interest in respect of Loans denominated in Alternative Currency as which market practice differs from the foregoing, in accordance with such market practice. Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid, provided that any Loan that is repaid on the same day on which it is made shall, subject to Section 2.11(a), bear interest for one day. Each determination by the Administrative Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

(b) If, as a result of any restatement of or other adjustment to the financial statements of the Company, the Company or the Lenders determine that (i) the Total Leverage Ratio as calculated by the Company as of any applicable date was inaccurate and (ii) a proper calculation of the Total Leverage Ratio would have resulted in higher pricing for such period, each Borrower shall immediately and retroactively be obligated to pay to the Administrative Agent for the account of the applicable Lenders or the L/C Issuer, as the case may be, promptly on demand by the Administrative Agent (or, after the occurrence of an actual or deemed entry of an order for relief with respect to any Borrower under the Bankruptcy Code of the United States, automatically and without further action by the Administrative Agent, any Lender or the L/C Issuer), an amount equal to the excess of the amount of interest and fees that should have been paid for such period over the amount of interest and fees actually paid for such period. This paragraph shall not limit the rights of the Administrative Agent, any Lender or the L/C Issuer, as the case may be, under Section 2.04(c)(iii), 2.04(i) or 2.07(b) or under Article VIII. The Borrowers' obligations under this paragraph shall survive the termination of the Aggregate Commitments and the repayment of all other Obligations hereunder.

## **2.10 Evidence of Debt.**

(a) The Credit Extensions made by each Lender shall be evidenced by one or more accounts or records maintained by such Lender and by the Administrative Agent in the ordinary course of business. The accounts or records maintained by the Administrative Agent and each Lender shall be conclusive absent manifest error of the amount of the Credit Extensions made by the Lenders to the Borrowers and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrowers hereunder to pay any amount owing with respect to the Obligations. In the event of

any conflict between the accounts and records maintained by any Lender and the accounts and records of the Administrative Agent in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error. Upon the request of any Lender to a Borrower made through the Administrative Agent, such Borrower shall execute and deliver to such Lender (through the Administrative Agent) a note or notes, which shall evidence such Lender's Revolving Loans or Term Loans to such Borrower, as applicable, in addition to such accounts or records. Each Lender may attach schedules to a Note and endorse thereon the date, Type (if applicable), amount, currency and maturity of its Loans and payments with respect thereto.

(b) In addition to the accounts and records referred to in subsection (a), each Lender and the Administrative Agent shall maintain in accordance with its usual practice accounts or records evidencing the purchases and sales by such Lender of participations in Letters of Credit. In the event of any conflict between the accounts and records maintained by the Administrative Agent and the accounts and records of any Lender in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error.

## **2.11 Payments Generally; Administrative Agent's Clawback.**

(a) **General.** All payments to be made by the Borrowers shall be made without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein and except with respect to principal of and interest on Loans denominated in Alternative Currency, all payments by the Borrowers hereunder shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, at the Administrative Agent's Office in Dollars and in Same Day Funds not later than 2:00 p.m. on the date specified herein. Except as otherwise expressly provided herein, all payments by the Borrowers hereunder with respect to principal and interest on Loans denominated in an Alternative Currency shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, at the Administrative Agent's Office in Alternative Currency and in Same Day Funds not later than the Applicable Time specified by the Administrative Agent on the dates specified herein. Without limiting the generality of the foregoing, the Administrative Agent may require that any payments due under this Agreement be made in the United States. If, for any reason, any Borrower is prohibited by any Law from making any required payment hereunder in Alternative Currency, such Borrower shall make such payment in Dollars in the Dollar Equivalent of the Alternative Currency payment amount. The Administrative Agent will promptly distribute to each Lender its Applicable Percentage (or other applicable share as provided herein) of such payment in like funds as received by wire transfer to such Lender's Lending Office. All payments received by the Administrative Agent (i) after 2:00 p.m., in the case of payments in Dollars, or (ii) after the Applicable Time specified by the Administrative Agent in the case of payments in Alternative Currency, shall in each case be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. If any payment to be made by any Borrower shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be.

(b) **Funding by Lenders and Payments by Borrowers; Presumption by Administrative Agent.**

(i) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing of Eurocurrency Rate Loans (or, in the case of any Borrowing of Base Rate Loans, prior to 12:00 noon on the date of such Borrowing) that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with Section 2.03 (or, in the case of a Borrowing of Base Rate Loans, that such Lender has made such share available in accordance with and at the time required by Section 2.03) and may, in reliance upon such assumption, make available to the applicable Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the applicable Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount in Same Day Funds with interest thereon, for each day from and including the date such amount is made available to such Borrower to but excluding the date of payment to the Administrative Agent, at (A) in the case of a payment to be made by such Lender, the Overnight Rate, plus any administrative, processing or similar fees customarily charged by the Administrative Agent in connection with the foregoing, and (B) in the case of a payment to be made by such Borrower, the interest rate applicable to Base Rate Loans. If such Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to such Borrower the amount of such interest paid by such Borrower for such period. If such Lender pays its share of the applicable Borrowing to the Administrative Agent, then the amount so paid shall constitute such Lender's Revolving Loan included in such Borrowing. Any payment by such Borrower shall be without prejudice to any claim such Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent.

(ii) Unless the Administrative Agent shall have received notice from a Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or the L/C Issuer hereunder that such Borrower will not make such payment, the Administrative Agent may assume that such Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the L/C Issuer, as the case may be, the amount due. In such event, if such Borrower has not in fact made such payment, then each of the Lenders or the L/C Issuer, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or the L/C Issuer, in Same Day Funds with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the Overnight Rate.

A notice of the Administrative Agent to any Lender or the Company with respect to any amount owing under this subsection (b) shall be conclusive, absent manifest error.

(c) **Failure to Satisfy Conditions Precedent.** If any Lender makes available to the Administrative Agent funds for any Loan to be made by such Lender to any Borrower as provided in the foregoing provisions of this Article II, and such funds are not made available to such Borrower by the Administrative Agent because the conditions to the applicable Credit

Extension set forth in Article IV are not satisfied or waived in accordance with the terms hereof, the Administrative Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest.

(d) **Obligations of Lenders Several.** The obligations of the Lenders hereunder to make Loans, to fund participations in Letters of Credit and to make payments pursuant to Section 10.04(c) are several and not joint. The failure of any Lender to make any Loan, to fund any such participation or to make any payment under Section 10.04(c) on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Loan, to purchase its participation or to make its payment under Section 10.04(c).

(e) **Funding Source.** Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

**2.12 Sharing of Payments by Lenders.** If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of the Loans made by it, or the participations in L/C Obligations held by it resulting in such Lender's receiving payment of a proportion of the aggregate amount of such Loans or participations and accrued interest thereon greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Loans and subparticipations in L/C Obligations of the other Lenders, or make such other adjustments as shall be equitable, so that 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 Loans and other amounts owing them, provided that:

(i) if any such participations or subparticipations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations or subparticipations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii) the provisions of this Section shall not be construed to apply to (x) any payment made by a Borrower pursuant to and in accordance with the express terms of this Agreement or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or subparticipations in L/C Obligations to any assignee or participant, other than to the Loan Parties or any Subsidiary thereof (as to which the provisions of this Section shall apply).

Each Loan Party consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Loan Party rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Loan Party in the amount of such participation.

**2.13 Collateral Security.** Subject to Section 6.12, the Obligations shall be secured by a perfected first priority security interest (subject only to Liens permitted by Section 7.01 entitled to priority under applicable law) in the following property of the Loan Parties, whether now owned or hereafter acquired, (i) all personal property of each Loan Party, (ii) all Equity Interests of all Domestic Subsidiaries of each Loan Party, all Equity Interests of all Foreign Subsidiaries of each Foreign Loan Party and all Equity Interests of each first-tier Foreign Subsidiary of each Domestic Loan Party; provided that, with respect to Foreign Subsidiaries, such equity pledge shall be limited to 65% of the capital stock of such Foreign Subsidiary to the extent the pledge secures Domestic Loan Party Obligations and a pledge of any greater percentage would result in material adverse tax consequences to any Loan Party (for the avoidance of doubt, to the extent the equity pledge of the Foreign Subsidiary secures Foreign Loan Party Obligations, such limitation shall not apply), (iii) all present and future intercompany debt of each Borrower and each Guarantor and (iv) all proceeds and products of the property and assets described in (i), (ii) and (iii) above.

## ARTICLE III

### TAXES, YIELD PROTECTION AND ILLEGALITY

#### 3.01 Taxes.

(a) **Payments Free of Taxes; Obligation to Withhold; Payments on Account of Taxes.**

(i) Any and all payments by or on account of any Obligation of the respective Borrowers hereunder or under any other Loan Document shall to the extent permitted by applicable Laws be made free and clear of and without reduction or withholding for any Taxes. If, however, applicable Laws require any Borrower or the Administrative Agent to withhold or deduct any Tax, such Tax shall be withheld or deducted in accordance with such Laws as determined by such Borrower or the Administrative Agent, as the case may be, upon the basis of the information and documentation to be delivered pursuant to subsection (e) below.

(ii) If any Borrower or the Administrative Agent shall be required by the Code to withhold or deduct any Taxes, including both United States Federal backup withholding and withholding taxes, from any payment, then (A) the Administrative Agent shall withhold or make such deductions as are determined by the Administrative Agent to be required based upon the information and documentation it has received pursuant to subsection (e) below, (B) the Administrative Agent shall timely pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with the Code, and (C) to the extent that the withholding or deduction is made on account of Indemnified Taxes or Other Taxes, the sum payable by such Borrower shall be increased as necessary so that after any required withholding or the making of all required deductions (including deductions applicable to additional sums payable under this Section) the Administrative Agent, Lender or L/C Issuer, as the case may be, receives an amount equal to the sum it would have received had no such withholding or deduction been made.

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(iii) If any Borrower or the Administrative Agent shall be required by any applicable Laws other than the Code to withhold or deduct any Taxes from any payment, then (A) such Borrower or the Administrative Agent, as required by such Laws, shall withhold or make such deductions as are determined by it to be required based upon the information and documentation it has received pursuant to subsection (e) below, (B) such Borrower or the Administrative Agent, to the extent required by such Laws, shall timely pay the full amount so withheld or deducted by it to the relevant Governmental Authority in accordance with such Laws, and (C) to the extent that the withholding or deduction is made on account of Indemnified Taxes or Other Taxes, the sum payable by such Borrower shall be increased as necessary so that after any required withholding or the making of all required deductions (including deductions applicable to additional sums payable under this Section) the Administrative Agent, Lender or L/C Issuer, as the case may be, receives an amount equal to the sum it would have received had no such withholding or deduction been made.

(b) **Payment of Other Taxes by the Borrowers.** Without limiting the provisions of subsection (a) above, each Borrower shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable Laws.

(c) **Tax Indemnifications.**

(i) Without limiting the provisions of subsection (a) or (b) above, each Borrower shall, and does hereby, indemnify the Administrative Agent, each Lender and the L/C Issuer, and shall make payment in respect thereof within 15 days after demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) withheld or deducted by such Borrower or the Administrative Agent or paid by the Administrative Agent, such Lender or the L/C Issuer, as the case may be, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. Each Borrower shall also, and does hereby, indemnify the Administrative Agent, and shall make payment in respect thereof within 10 days after demand therefor, for any amount which a Lender or the L/C Issuer for any reason fails to pay indefeasibly to the Administrative Agent as required by clause (ii) of this subsection. A certificate as to the amount of any such payment or liability delivered to a Borrower by a Lender or the L/C Issuer (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender or the L/C Issuer, shall be conclusive absent manifest error, provided that such certificate contains a reasonably detailed statement of the amounts then payable and the calculations thereof.

(ii) Without limiting the provisions of subsection (a) or (b) above, each Lender and the L/C Issuer shall, and does hereby, indemnify each Borrower and the Administrative Agent, and shall make payment in respect thereof within 15 days after demand therefor, against any and all Taxes and any and all related losses, claims, liabilities, penalties, interest and expenses (including the fees, charges and disbursements of any counsel for such Borrower or the Administrative Agent) incurred by or asserted against such Borrower or the Administrative Agent by any Governmental Authority as a result of the failure by such Lender or the L/C Issuer, as the case may be, to deliver, or as a result of the inaccuracy, inadequacy or

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deficiency of, any documentation required to be delivered by such Lender or the L/C Issuer, as the case may be, to such Borrower or the Administrative Agent pursuant to subsection (e). Each Lender and the L/C Issuer hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender or the L/C Issuer, as the case may be, under this Agreement or any other Loan Document against any amount due to the Administrative Agent under this clause (ii). The agreements in this clause (ii) shall survive the resignation and/or replacement of the Administrative Agent, any assignment of rights by, or the replacement of, a Lender or the L/C Issuer, the termination of the Aggregate Commitments and the repayment, satisfaction or discharge of all other Obligations.

(d) **Evidence of Payments.** Upon request by a Borrower or the Administrative Agent, as the case may be, after any payment of Indemnified Taxes or Other Taxes by such Borrower or by the Administrative Agent to a Governmental Authority as provided in this Section 3.01, such Borrower shall deliver to the Administrative Agent or the Administrative Agent shall deliver to such Borrower, as the case may be, the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of any return required by Laws to report such payment or other evidence of such payment reasonably satisfactory to such Borrower or the Administrative Agent, as the case may be.

(e) **Status of Lenders; Tax Documentation.**

(i) Each Lender shall deliver to the Company and to the Administrative Agent, at the time or times prescribed by applicable Laws or when reasonably requested by the Company or the Administrative Agent, such properly completed and executed documentation prescribed by applicable Laws or by the taxing authorities of any jurisdiction and such other reasonably requested information as will permit the Borrowers or the Administrative Agent, as the case may be, to determine (A) whether or not payments made by the respective Borrowers hereunder or under any other Loan Document are subject to Taxes, (B) if applicable, the required rate of withholding or deduction, and (C) such Lender's entitlement to any available exemption from, or reduction of, applicable Taxes in respect of all payments to be made to such Lender by the respective Borrowers pursuant to this Agreement or otherwise to establish such Lender's status for withholding tax purposes in the applicable jurisdictions.

(ii) Without limiting the generality of the foregoing, if a Borrower is resident for tax purposes in the United States,

(A) any Lender that is a "United States person" within the meaning of Section 7701(a)(30) of the Code shall deliver to the Company and the Administrative Agent executed originals of Internal Revenue Service Form W-9 or such other documentation or information prescribed by applicable Laws or reasonably requested by the Company on behalf of such Borrower or the Administrative Agent as will enable such Borrower or the Administrative Agent, as the case may be, to determine whether or not such Lender is subject to backup withholding or information reporting requirements; and

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(B) each Foreign Lender that is entitled under the Code or any applicable treaty to an exemption from or reduction of withholding tax with respect to payments hereunder or under any other Loan Document shall deliver to the Company and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the request of the Company on behalf of such Borrower or the Administrative Agent, but only if such Foreign Lender is legally entitled to do so), whichever of the following is applicable:

(I) executed originals of Internal Revenue Service Form W-8BEN claiming eligibility for benefits of an income tax treaty to which the United States is a party,

(II) executed originals of Internal Revenue Service Form W-8ECI,

(III) executed originals of Internal Revenue Service Form W-8IMY and all required supporting documentation,

(IV) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under section 881(c) of the Code, (x) a certificate to the effect that such Foreign Lender is not (A) a "bank" within the meaning of section 881(c)(3)(A) of the Code, (B) a "10 percent shareholder" of such Borrower within the meaning of section 881(c)(3)(B) of the Code, or (C) a "controlled foreign corporation" described in section 881(c)(3)(C) of the Code and (y) executed originals of Internal Revenue Service Form W-8BEN, or

(V) executed originals of any other form prescribed by applicable Laws as a basis for claiming exemption from or a reduction in United States Federal withholding tax together with such supplementary documentation as may be prescribed by applicable Laws to permit such Borrower or the Administrative Agent to determine the withholding or deduction required to be made.

(iii) Each Foreign Lender shall provide, promptly upon the reasonable demand of the Company or the Administrative Agent, any information, form or document, accurately completed, that may be required in order to demonstrate that such Foreign Lender is in compliance with the requirements of FATCA, including § 1471(b) of the Code, if such Foreign Lender is a foreign financial institution (as such term is defined in § 1471(d)(4) of the Code) or § 1472(b), if such Foreign Lender is a non-financial foreign entity (as such term is defined in § 1472(d) of the Code).

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(iv) Each Lender shall promptly (A) notify the Company and the Administrative Agent of any change in circumstances which would modify or render invalid any claimed exemption or reduction, and (B) take such steps as shall not be materially disadvantageous to it, in the reasonable judgment of such Lender, and as may be reasonably necessary (including the re-designation of its Lending Office) to avoid any requirement of applicable Laws of any jurisdiction that any Borrower or the Administrative Agent make any withholding or deduction for taxes from amounts payable to such Lender.

(v) Each of the Borrowers shall promptly deliver to the Administrative Agent or any Lender, as the Administrative Agent or such Lender shall reasonably request, on or prior to the Closing Date (or such later date on which it first becomes a Borrower), and in a timely fashion thereafter, such documents and forms required by any relevant taxing authorities under the Laws of any jurisdiction, duly executed and completed by such Borrower, as are required to be furnished by such Lender or the Administrative Agent under such Laws in connection with any payment by the Administrative Agent or any Lender of Taxes or Other Taxes, or otherwise in connection with the Loan Documents, with respect to such jurisdiction.

(f) **Treatment of Certain Refunds.** Unless required by applicable Laws, at no time shall the Administrative Agent have any obligation to file for or otherwise pursue on behalf of a Lender or the L/C Issuer, or have any obligation to pay to any Lender or the L/C Issuer, any refund of Taxes withheld or deducted from funds paid for the account of such Lender or the L/C Issuer, as the case may be. If the Administrative Agent, any Lender or the L/C Issuer determines, in its sole discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by any Borrower or with respect to which any Borrower has paid additional amounts pursuant to this Section, it shall pay to such Borrower an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by such Borrower under this Section with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses and net of any loss or gain realized in the conversion of such funds from or to another currency incurred by the Administrative Agent, such Lender or the L/C Issuer, as the case may be, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), provided that each Borrower, upon the request of the Administrative Agent, such Lender or the L/C Issuer, agrees to repay the amount paid over to such Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent, such Lender or the L/C Issuer in the event the Administrative Agent, such Lender or the L/C Issuer is required to repay such refund to such Governmental Authority. This subsection shall not be construed to require the Administrative Agent, any Lender or the L/C Issuer to make available its tax returns (or any other information relating to its taxes that it deems confidential) to any Borrower or any other Person.

### 3.02 **Illegality and Designated Lenders.**

(a) **Illegality.** If any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable Lending Office to make, maintain or fund Eurocurrency Rate Loans (whether denominated in Dollars or Alternative Currency), or to determine or charge interest rates based upon the Eurocurrency Rate, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, Dollars or Alternative

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currency in the applicable interbank market, then, on notice thereof by such Lender to the Company through the Administrative Agent, any obligation of such Lender to make or continue Eurocurrency Rate Loans in the affected currency or currencies or, in the case of Eurocurrency Rate Loans in Dollars, to convert Base Rate Loans to Eurocurrency Rate Loans, shall be suspended until such Lender notifies the Administrative Agent and the Company that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, the Borrowers shall, upon demand from such Lender (with a copy to the Administrative Agent), prepay or, if applicable and such Loans are denominated in Dollars, convert all such Eurocurrency Rate Loans of such Lender to Base Rate Loans, either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such Eurocurrency Rate Loans to such day, or immediately, if such Lender may not lawfully continue to maintain such Eurocurrency Rate Loans. Upon any such prepayment or conversion, the Borrowers shall also pay accrued interest on the amount so prepaid or converted.

(b) **Designated Lenders.** Each Lender at its option may make any Credit Extension to any Borrower by causing any domestic or foreign branch or Affiliate of such Lender (each a “Designated Lender”) to make such Credit Extension (and in the case of an Affiliate, the provisions of Sections 3.01 through 3.05 and 10.04 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 relevant Borrower to repay such Credit Extension in accordance with the terms of this Agreement; provided, however, if any Lender or any Designated Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable Designated Lender to issue, make, maintain, fund or charge interest with respect to any Credit Extension to either Borrower who is organized under the laws of a jurisdiction other than the United States, a State thereof or the District of Columbia then, on notice thereof by such Lender to the Company through the Administrative Agent, and until such notice by such Lender is revoked, any obligation of such Lender to issue, make, maintain, fund or charge interest with respect to any such Credit Extension shall be suspended. Upon receipt of such notice, the Loan Parties shall take all reasonable actions requested by such Lender to mitigate or avoid such illegality.

**3.03 Inability to Determine Rates.** If the Required Lenders determine that for any reason in connection with any request for a Eurocurrency Rate Loan or a conversion to or continuation thereof that (a) deposits (whether in Dollars or Alternative Currency) are not being offered to banks in the applicable offshore interbank market for such currency for the applicable amount and Interest Period of such Eurocurrency Rate Loan, (b) adequate and reasonable means do not exist for determining the Eurocurrency Rate for any requested Interest Period with respect to a proposed Eurocurrency Rate Loan (whether denominated in Dollars or an Alternative Currency), or (c) the Eurocurrency Rate for any requested Interest Period with respect to a proposed Eurocurrency Rate Loan does not adequately and fairly reflect the cost to such Lenders of funding such Eurocurrency Rate Loan, the Administrative Agent will promptly so notify the Company and each Lender. Thereafter, the obligation of the Lenders to make or maintain Eurocurrency Rate Loans in the affected currency or currencies shall be suspended until the Administrative Agent (upon the instruction of the Required Lenders) revokes such notice. Upon receipt of such notice, either Borrower, as applicable, may revoke any pending request for a Borrowing of, conversion to or continuation of Eurocurrency Rate Loans in the affected currency

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or currencies or, failing that, will be deemed to have converted such request into a request for a Borrowing of Base Rate Loans in the amount specified therein.

### 3.04 **Increased Costs; Reserves on Eurocurrency Rate Loans.**

(a) **Increased Costs Generally.** If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except (A) any reserve requirement

contemplated by Section 3.04(e) and (B) the requirements of the Bank of England and the Financial Services Authority or the European Central Bank reflected in the Mandatory Cost, other than as set forth below) or the L/C Issuer;

(ii) subject any Lender or the L/C Issuer to any tax of any kind whatsoever with respect to this Agreement, any Letter of Credit, any participation in a Letter of Credit or any Eurocurrency Rate Loan made by it, or change the basis of taxation of payments to such Lender or the L/C Issuer in respect thereof (except for Indemnified Taxes or Other Taxes covered by Section 3.01 and the imposition of, or any change in the rate of, any Excluded Tax payable by such Lender or the L/C Issuer); or

(iii) result in the failure of the Mandatory Cost, as calculated hereunder, to represent the cost to any Lender of complying with the requirements of the Bank of England and/or the Financial Services Authority or the European Central Bank in relation to its making, funding or maintaining Eurocurrency Rate Loans; or

(iv) impose on any Lender or the L/C Issuer or the London interbank market any other condition, cost or expense affecting this Agreement or Eurocurrency Rate Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Eurocurrency Rate Loan (or of maintaining its obligation to make any such Loan), or to increase the cost to such Lender or the L/C Issuer of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender or the L/C Issuer hereunder (whether of principal, interest or any other amount) then, upon request of such Lender or the L/C Issuer, the Company or the applicable Borrower shall pay to such Lender or the L/C Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or the L/C Issuer, as the case may be, for such additional costs incurred or reduction suffered.

(b) **Capital Requirements.** If any Lender or the L/C Issuer determines that any Change in Law affecting such Lender or the L/C Issuer or any Lending Office of such Lender or such Lender's or the L/C Issuer's holding company, if any, regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's or the L/C Issuer's capital or on the capital of such Lender's or the L/C Issuer's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by

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the L/C Issuer, to a level below that which such Lender or the L/C Issuer or such Lender's or the L/C Issuer's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or the L/C Issuer's policies and the policies of such Lender's or the L/C Issuer's holding company with respect to capital adequacy), then from time to time the Company or the applicable Borrower will pay to such Lender or the L/C Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or the L/C Issuer or such Lender's or the L/C Issuer's holding company for any such reduction suffered.

(c) **Mandatory Cost.** If any Lender or the L/C Issuer incurs any Mandatory Cost attributable to the Obligations, then from time to time the Company will pay to such Lender or the L/C Issuer, as the case may be, such Mandatory Cost. Such amount shall be expressed as a percentage rate per annum and shall be payable on the full amount of the applicable Obligations.

(d) **Certificates for Reimbursement.** A certificate of a Lender or the L/C Issuer setting forth the amount or amounts necessary to compensate such Lender or the L/C Issuer or its holding company, as the case may be, as specified in subsection (a) or (b) of this Section and delivered to the Company shall be conclusive absent manifest error provided that such certificate contains a reasonably detailed statement of the amounts then payable and the calculation thereof. The Company or the applicable Borrower shall pay to such Lender or the L/C Issuer, as the case may be, the amount shown as due on any such certificate within 15 days after receipt thereof.

(e) **Delay in Requests.** Failure or delay on the part of any Lender or the L/C Issuer to demand compensation pursuant to the foregoing provisions of this Section shall not constitute a waiver of such Lender's or the L/C Issuer's right to demand such compensation.

(f) **Reserves on Eurocurrency Requirements.** The applicable Borrower shall pay to each Lender, (i) as long as such Lender shall be required to maintain reserves with respect to liabilities or assets consisting of or including Eurocurrency funds or deposits (currently known as "Eurocurrency liabilities"), additional interest on the unpaid principal amount of each Eurocurrency Rate Loan equal to the actual costs of such reserves allocated to such Loan by such Lender (as determined by such Lender in good faith and in accordance with customary practice, which determination shall be conclusive), and (ii) as long as such Lender shall be required to comply with any reserve ratio requirement or analogous requirement of any other central banking or financial regulatory authority imposed in respect of the maintenance of the Commitments or the funding of the Eurocurrency Rate Loans, such additional costs (expressed as a percentage per annum and rounded upwards, if necessary, to the nearest five decimal places) equal to the actual costs allocated to such Commitment or Loan by such Lender (as determined by such Lender in good faith and in accordance with customary practice, which determination shall be conclusive), which in each case shall be due and payable on each date on which interest is payable on such Loan, provided the Company shall have received at least 10 days' prior notice (with a copy to the Administrative Agent) of such additional interest or costs from such Lender. If a Lender fails to give notice 10 days prior to the relevant Interest Payment Date, such additional interest or costs shall be due and payable 10 days from receipt of such notice.

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**3.05 Compensation for Losses.** Upon demand of any Lender (with a copy to the Administrative Agent) from time to time, the applicable Borrower shall promptly compensate such Lender for and hold such Lender harmless from any loss, cost or expense incurred by it as a result of:

(a) any continuation, conversion, payment or prepayment of any Loan other than a Base Rate Loan on a day other than the last day of the Interest Period for such Loan (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise);

(b) any failure by any Borrower (for a reason other than the failure of such Lender to make a Loan) to prepay, borrow, continue or convert any Loan other than a Base Rate Loan on the date or in the amount notified by the Company or the applicable Borrower; or



(c) any failure by any Borrower to make payment of any Loan or drawing under any Letter of Credit (or interest due thereon) denominated in an Alternative Currency on its scheduled due date or any payment thereof in a different currency.

including any loss of anticipated profits, any foreign exchange losses and any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain such Loan, from fees payable to terminate the deposits from which such funds were obtained or from the performance of any foreign exchange contract. The applicable Borrower shall also pay any customary administrative fees charged by such Lender in connection with the foregoing.

For purposes of calculating amounts payable by Borrowers to the Lenders under this Section 3.05, each Lender shall be deemed to have funded each Eurocurrency Rate Loan made by it at the Eurocurrency Rate for such Loan by a matching deposit or other borrowing in the offshore interbank market for such currency for a comparable amount and for a comparable period, whether or not such Eurocurrency Rate Loan was in fact so funded.

**3.06 Survival.** All of the Borrowers' obligations under this Article III shall survive termination of the Aggregate Commitments, repayment of all other Obligations hereunder, and resignation of the Administrative Agent.

#### ARTICLE IV

##### CONDITIONS PRECEDENT TO CREDIT EXTENSIONS

**4.01 Conditions to this Agreement.** The obligation of the L/C Issuer and each Lender to enter into this Agreement is subject to satisfaction of the following conditions precedent on or prior to the Closing Date:

(a) The Administrative Agent's receipt of the following, each properly executed by a Responsible Officer of the signing Loan Party, and each in form and substance satisfactory to the Administrative Agent and each of the Lenders:

(i) executed counterparts of this Agreement, sufficient in number for distribution to the Administrative Agent, each Lender and the Company;

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(ii) Notes executed by the Borrowers in favor of each Lender requesting a Note;

(iii) if Advance Funding Arrangements shall exist with respect to funding on the Closing Date, executed Advance Funding Documentation in form and number acceptable to the Administrative Agent;

(iv) a general security agreement from each of the Company and each of the US Guarantors in the form attached as Exhibit F;

(v) a Trademark Agreement from the Company and Globe Inc. in the form attached as Exhibit G;

(vi) a Patent Agreement from the Company and Globe Inc.;

(vii) a first-ranking omnibus agreement and deed of pledge of movable assets, bank accounts, intercompany receivables, trade receivables, insurance receivables and intellectual property rights from Allied B.V. in the form attached as Exhibit H-1;

(viii) A first-ranking omnibus agreement and deed of pledge of movable assets, bank accounts, intercompany receivables, trade receivables, insurance receivables and intellectual property rights from Premotec in the form attached as Exhibit H-2;

(ix) a first-ranking agreement and deed of pledge of registered shares in 65% of the share capital of Allied B.V. from the Company and 100% of the share capital of Premotec from Allied B.V. each in the form attached as Exhibit I, together with notarized powers of attorney of each party;

(x) a first-ranking share pledge agreement over all shares issued in the share capital of Allied AB from Allied B.V. in the form attached as Exhibit J together with (a) an updated share register of Allied AB in which the pledge is set out, (b) share certificates of Allied AB duly endorsed in blank, and (c) an acknowledgment by Allied AB;

(xi) a first-ranking floating charge security agreement over certain floating charge certificates issued in the business of Allied AB in the form attached as Exhibit K together with each Floating Charge Certificate (as defined in such agreement) in written form;

(xii) a first-ranking pledge over patents from Allied AB in the form attached as Exhibit L together with (i) a duly executed registration form in relation to each patent property right and (ii) a power of attorney to register the pledge over each patent with the Swedish Patent and Registration Office and any other authority relevant for the registration of security over each such intellectual property right;

(xiii) a first-ranking account pledge agreement from Allied AB in the form attached as Exhibit M together with copies of notices given to each relevant account bank under the terms of such pledge agreement;

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(xiv) a Guaranty from each of the US Guarantors in form satisfactory to the Administrative Agent and the Lenders guaranteeing payment of all of the Company's Obligations, and a Guaranty from each of the Original EU Guarantors in form satisfactory to the Administrative Agent and the Lenders guaranteeing all obligations of Allied B.V.; provided, however for purposes of the Guaranties, the term "Obligations" shall not create any guaranty by any Guarantor of any obligation under any Excluded Swap Obligation.

(xv) resolutions or other action, incumbency certificates and/or other certificates of Responsible Officers of each Loan Party as the Administrative Agent may require evidencing the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with this Agreement and the other Loan Documents to which such Loan Party is a party, including, with respect to each Dutch Loan Party:

(A) a copy of a resolution of the board of managing directors of such Dutch Loan Party, approving the terms of, and the Transactions contemplated by the Loan Documents to which such Dutch Loan Party is a party and resolving that it execute, deliver and perform such Loan Documents;

(B) a copy of a resolution signed by all the holders of the issued shares of such Dutch Loan Party, approving the terms of, and the Transactions contemplated by, this Agreement and the other Loan Documents to which such Dutch Loan Party is a party; and

(C) if applicable, a copy of a resolution of the supervisory board of such Dutch Loan Party approving the terms of, and the Transactions contemplated by, this Agreement and the other Loan Documents to which such Dutch Loan Party is a party;

(xvi) such documents and certifications as the Administrative Agent may reasonably require to evidence that each Loan Party is duly organized or formed, and that each Loan Party is validly existing, in good standing to the extent applicable and qualified to engage in business in each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification, except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect;

(xvii) with respect to each Dutch Loan Party, an up to date extract from the Dutch Commercial Register (*Handelsregister*), its deed of incorporation, its articles of association and an up to date copy of its shareholders register;

(xviii) favorable opinions of (A) Jaeckle Fleischmann & Mugel, LLP, United States counsel to the Loan Parties, (B) Gernandt & Danielsson, Swedish counsel to the Loan Parties and (C) Espanha e Associados, Portuguese counsel to the Loan Parties, each addressed to the Administrative Agent and each Lender, as to the matters

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concerning the Loan Parties and this Agreement as the Administrative Agent may reasonably request;

(xix) favorable opinions of (A) Clifford Chance LLP, Dutch counsel to the Administrative Agent, (B) Advokatfirman Cederquist, Swedish counsel to the Administrative Agent and (C) PLMJ-A.M. Pereira, Sáragga Leal, Oliveira Martins, Júdice e Associados, Portuguese counsel to the Administrative Agent, each addressed to the Administrative Agent and each Lender as to the enforceability of certain Loan Documents governed by the laws of The Netherlands, Sweden and Portugal, respectively.

(xx) evidence that all insurance required to be maintained by the Loan Parties pursuant to the Loan Documents has been obtained and is in effect;

(xxi) the Subordination Agreement duly executed by each of the Subordinated Note Holders and the Borrowers;

(xxii) a completed and fully executed perfection certificate with respect to the Company and each US Guarantor and the results of UCC searches (and, if applicable, the equivalent thereof in all applicable foreign jurisdictions) and other evidence satisfactory to the Administrative Agent that there are no Liens upon the Collateral, other than Liens permitted pursuant to Section 7.01 and otherwise in form and substance satisfactory to the Lenders;

(xxiii) completed environmental reports, audits, certifications and information as the Administrative Agent may reasonably require, in each case in form and substance satisfactory to the Administrative Agent;

(xxiv) such other assurances, certificates, documents, consents or opinions as the Administrative Agent, the L/C Issuer or the Required Lenders reasonably may require;

(xxv) true, correct and complete copies of the Stock Purchase Agreement and all related documents; and

(xxvi) a copy of (i) the request for advice from each works council with jurisdiction over the transactions contemplated by this Agreement and the other Loan Documents; and (ii) the unconditional positive advice from such works council or evidence that such works council has waived (x) its right to render advice pursuant to article 25 of the Dutch Works Council Act (*Wet op de Ondernemingsraden*) and (y) its right to bring appeal (*beroep aantekenen*) pursuant to article 26 of the Dutch Works Council Act (*Wet op de Ondernemingsraden*)”.

(b) Receipt by the Lenders of evidence satisfactory to the Administrative Agent and the Lenders that all conditions to closing of the Acquisition set forth in the Stock Purchase Agreement, other than payment of the purchase price, have been met without waiver except for the waiver of any condition that is not material to the interests of the Lenders;

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(c) Receipt by the Lenders of evidence satisfactory to the Administrative Agent and the Lenders that all conditions to the funding of the Senior Subordinated Notes have been satisfied or waived, other than the concurrent funding of the Term Loans and the Revolving Loan (to the extent necessary to pay the purchase price under the Stock Purchase Agreement) and that there have been no amendments to the Senior Subordinated Note Documents, except as permitted pursuant to the Subordination Agreement;

(d) Administrative Agent shall be satisfied that the Security Documents shall be effective to create in favor of the Administrative Agent a legal, valid and enforceable first (except for Liens permitted pursuant to Section 7.01 and entitled to priority under applicable law) security interest in and Lien upon the Collateral, along with, in form and substance satisfactory to the Lenders, evidence that all filings, recordings, deliveries of instruments and other actions necessary or desirable in the opinion of the Administrative Agent to protect and preserve such security interests shall have been or will immediately following the Funding Date be duly effected;

(e) the Administrative Agent and the Lenders shall have completed a confirmatory legal and business due diligence investigation the results of which shall be satisfactory to the Administrative Agent and the Lenders;

(f) Any fees and expenses required to be paid by the Borrowers to the Administrative Agent, the L/C Issuer and/or the Lenders on or before the Closing Date shall have been paid;

(g) Unless waived by the Administrative Agent, the Company shall have paid all fees, charges and disbursements of counsel to the Administrative Agent and the Syndication Agent, plus such additional amounts of such fees, charges and disbursements as shall constitute its reasonable estimate of such fees, charges and disbursements incurred or to be incurred by it through the closing proceedings;

(h) The Borrowers shall have entered into an ISDA Master Agreement with Bank of America, N.A. and related schedules in form satisfactory to the Administrative Agent and the Lenders (the "ISDA Agreement");

(i) No Material Adverse Effect shall have occurred and be continuing;

(j) The absence of any action, suit, investigation or proceeding pending or, to the knowledge of any Borrower, threatened in any court or before any arbitrator or governmental authority that could reasonably be expected to have a Material Adverse Effect;

(k) All existing Indebtedness for borrowed money of the Loan Parties and their Subsidiaries (other than Indebtedness permitted by the Loan Documents) shall be repaid in full and all security interests related thereto shall be terminated;

(l) The Agents and the Lenders shall have received and be satisfied with copies of the interim financial statements of the Company and its Subsidiaries dated the end of the most recent fiscal quarter for which financial statements are available; and

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(m) Each Lender shall have obtained all applicable licenses, consents, permits and approvals as deemed necessary by such Lender in order to execute and perform the transactions contemplated by the Loan Documents.

Without limiting the generality of the provisions of the last paragraph of Section 9.03, (i) for purposes of determining compliance with the conditions specified in this Section, 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 Administrative Agent shall have received notice from such Lender prior to the proposed Closing Date specifying its objection thereto and (ii) in the event that Advance Funding Arrangements shall exist, the delivery by the Lender (x) of funds pursuant to such Advance Funding Arrangements ("Advance Funds") and (y) its signature page to this Agreement shall constitute the request, consent and direction by such Lender to the Administrative Agent (unless expressly revoked by written notice from such Lender received by the Administrative Agent prior to the earlier to occur of funding or the Administrative Agent's declaration that this Agreement is effective) to withdraw and release to the Borrowers on the Closing Date the applicable funds of such Lender to be applied to the funding of Loans by such Lender in accordance with Section 2.03 upon the Administrative Agent's determination (made in accordance with and subject to the terms of this Agreement) that it has received all items expressly required to be delivered to it under this Section 4.01.

**4.02 Conditions to all Revolving Loans.** The obligation of each Lender to honor any Request for Credit Extension (other than a Revolving Loan Notice requesting only a conversion of Revolving Loans to the other Type, or a continuation of Eurocurrency Rate Loans) is subject to the following conditions precedent:

(a) The representations and warranties of the Borrowers and each other Loan Party contained in Article V or any other Loan Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, shall be true and correct on and as of the date of such Credit Extension, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct as of such earlier date, and except that for purposes of this Section 4.02, the representations and warranties contained in subsections (a) and (b) of Section 5.05 shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 6.01.

(b) No Default or Event of Default shall exist, or would result from such proposed Credit Extension or from the application of the proceeds thereof.

(c) The Administrative Agent and, if applicable, the L/C Issuer shall have received a Request for Credit Extension in accordance with the requirements hereof.

(d) In the case of a Credit Extension to be denominated in Alternative Currency, there shall not have occurred any change in national or international financial, political or economic conditions or currency exchange rates or exchange controls which in the reasonable opinion of the Administrative Agent, the Required Lenders (in the case of any Loans to be

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denominated in Alternative Currency) or the L/C Issuer (in the case of any Letter of Credit to be denominated in Alternative Currency) would make it impracticable for such Credit Extension to be denominated in the Alternative Currency.

(e) There shall be no impediment, restriction, limitation or prohibition imposed under Law or by any Governmental Authority, as to the proposed financing under this Agreement or the repayment thereof or as to the rights created under the Loan Documents or as to the application of the proceeds of the realization of any such rights.

Each Request for Credit Extension submitted by the Company shall be deemed to be a representation and warranty that the conditions specified in Sections 4.02(a) and (b) have been satisfied on and as of the date of the applicable Credit Extension.

## ARTICLE V

### REPRESENTATIONS AND WARRANTIES

Each Borrower represents and warrants to the Administrative Agent and the Lenders that:

**5.01 Existence, Qualification and Power.** Each Loan Party and each Subsidiary thereof (a) is duly organized, incorporated or formed, validly existing and, as applicable, in good standing under the Laws of the jurisdiction of its incorporation or organization, (b) has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to (i) own or lease its assets and carry on its business and (ii) execute, deliver and perform its obligations under the Loan Documents to which it is a party, (c) is duly qualified and is licensed and, as applicable, in good standing under the Laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license; except in each case referred to in clause (b)(i) or (c), to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect, and (d) except for the Company, is owned, directly or indirectly by the Company. No Subsidiary has any outstanding shares of any class of capital stock or other Equity Interests which has priority over any other class of capital stock or other Equity Interests of such Subsidiary as to dividends or distributions or in liquidation except as may be owned beneficially and of record by the Company or a Wholly-Owned Subsidiary. No Subsidiary is a party to, or otherwise subject to any legal, regulatory, contractual or other restriction (other than this Agreement, the Senior Subordinated Note Purchase Agreement and customary limitations imposed by corporate or limited liability company law or similar statutes) restricting the ability of such Subsidiary to pay dividends out of profits or make other distributions of profits to the Company or any of its other Subsidiaries that owns outstanding shares of capital stock or other Equity Interests of such Subsidiary.

**5.02 Authorization; No Contravention.** The execution, delivery and performance by each Loan Party of each Loan Document to which such Person is party, have been duly authorized by all necessary corporate or other organizational action, and do not and will not (a) contravene the terms of any of such Person's Organizational Documents; (b) conflict with or result in any breach or contravention of, or the creation of any Lien under, or require any

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payment to be made under (i) any Contractual Obligation to which such Person is a party or affecting such Person or the properties of such Person or any of its Subsidiaries or (ii) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Person or its property is subject; or (c) violate any Law.

**5.03 Governmental Authorization; Other Consents.** No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, any Loan Party of this Agreement or any other Loan Document.

**5.04 Binding Effect.** This Agreement and each other Loan Document, has been duly executed and delivered by each Loan Party that is party thereto. This Agreement constitutes, and each other Loan Document when so delivered will constitute, a legal, valid and binding obligation of such Loan Party, enforceable against each Loan Party that is party thereto in accordance with its terms, except as enforceability may be limited by applicable Debtor Relief Laws and laws affecting creditors' rights generally.

**5.05 Financial Statements; No Material Adverse Effect; No Internal Control Event.**

(a) The Audited Financial Statements (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; (ii) fairly present the financial condition of the Company and its Subsidiaries as of the date thereof and their results of operations for the period covered thereby in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; and (iii) show all material indebtedness and other liabilities, direct or contingent, of the Company and its Subsidiaries as of the date thereof, including liabilities for taxes, material commitments and Indebtedness.

(b) The unaudited consolidated and consolidating balance sheets of the Company and its Subsidiaries dated June 30, 2013 and the related consolidated and consolidating statements of income or operations, consolidated shareholders' equity and consolidated cash flows for the quarter ended on that date (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, and (ii) fairly present the financial condition of the Company and its Subsidiaries as of the date thereof and their results of operations for the period covered thereby. The consolidated unaudited balance sheet of Globe Inc. dated June 30, 2013 fairly presents the financial condition of Globe Inc. and its Subsidiaries as of the date thereof. Schedule 5.05 sets forth (i) all material Indebtedness, direct or contingent, of the Company and Globe Inc. and their consolidated Subsidiaries as of the date of this Agreement and the name of each lender thereof, and (ii) the Liens that relate to such Indebtedness and that encumber the property of the Loan Parties and their respective Subsidiaries.

(c) Since the date of the Audited Financial Statements, there has been no event or circumstance, either individually or in the aggregate, that has had or could reasonably be expected to have a Material Adverse Effect.

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(d) The projections of each of the Company and Globe Inc., copies of which were provided to the Administrative Agent, were prepared in good faith and in accordance with GAAP, are based on underlying assumptions which provide a reasonable basis for the projections contained therein and reflect the Loan Parties' judgment based on present circumstances of the most likely set of conditions and course of action for the projected period.

**5.06 Litigation.** Except as set forth in Schedule 5.06, there are no actions, suits, proceedings, claims or disputes pending or, to the knowledge of the Company after due and diligent investigation, threatened or contemplated, at law, in equity, in arbitration or before any Governmental Authority, by or against the Company or Globe Inc. or any of their Subsidiaries or against any of their properties or revenues that (a) purport to affect or pertain to the Stock Purchase Agreement, this Agreement or any other Loan Document, or any of the transactions contemplated hereby, or (b) could reasonably be expected to have a Material Adverse Effect.

**5.07 No Default.** Neither any Loan Party nor any Subsidiary thereof is in default under or with respect to any Contractual Obligation that could, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. No Default has occurred and is continuing or would result from the consummation of the transactions contemplated by this Agreement or any other Loan Document.

**5.08 Ownership of Property; Liens.** Each of the Loan Parties and each Subsidiary has good record and marketable title in fee simple to, or valid leasehold interests in, all real property necessary or used in the ordinary conduct of its business, except for such defects in title as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The property of the Loan Parties and their Subsidiaries is subject to no Liens except for Permitted Liens. All leases necessary in any material respect for or conduct of the respective businesses of the Company and its Subsidiaries are valid and subsisting and are in full force and effect.

**5.09 Environmental Matters.** Except as set forth in Schedule 5.09 (a) the Loan Parties and their Subsidiaries are in compliance with all Environmental Laws, except to the extent that any such failure to comply (together with any resulting penalties, fines or forfeitures) have not had or will not have a Material Adverse Effect; (b) all licenses, permits, registrations or approvals required for the conduct of the business of the Loan Parties and any Subsidiary under any Environmental Law have been secured and the applicable Borrower, Guarantor or Subsidiary is in compliance therewith, except for such licenses, permits, registrations or approvals the failure to secure or to comply therewith has not had or will not have a Material Adverse Effect; (c) neither any Loan Party nor any Subsidiary has received notice, or otherwise knows, that it is in any respect in noncompliance with, breach of or default under any applicable writ, order, judgment, injunction, or decree to which such Loan Party or such Subsidiary is a party or that would affect the ability of such Loan Party or such Subsidiary to operate any of its property and no event has occurred and is continuing that, with the passage of time or the giving of notice or both, would constitute noncompliance, breach of or default thereunder; (d) there are no claims under any Environmental Laws ("Environmental Claim") pending or to the knowledge of any Borrower, threatened which have had or are reasonably likely to have a Material Adverse Effect; and (e) there are no facts, circumstances, conditions or occurrences on any property now or at any time owned, leased or operated by any Loan Party or any Subsidiary or on any property

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adjacent to any such property that could reasonably be expected: (i) to form the basis of any Environmental Claim against any Loan Party or any Subsidiary or any property of any Loan Party or any Subsidiary; or (ii) to cause such property to be subject to any restrictions on the ownership, occupancy, use or transferability of such property under any Environmental Law, except in each such case, such Environmental Claims or restrictions that individually or in the aggregate have not had and will not have a Material Adverse Effect.

**5.10 Insurance.** The properties of the Loan Parties and their Subsidiaries are insured with financially sound and reputable insurance companies, in such amounts with such deductibles and covering such risks as are customarily carried by companies engaged in similar businesses and owning similar properties in localities where the applicable Loan Party or the applicable Subsidiary operates.

**5.11 Taxes.** Each Loan Party and its Subsidiaries have filed all Federal, state and other tax returns and reports required to be filed, and have paid all Federal, state and other taxes, assessments, fees and other governmental charges levied or imposed upon them or their properties, income or assets otherwise due and payable, except those which are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided in accordance with GAAP. There is no proposed tax assessment against any Loan Party nor any Subsidiary that would, if made, have a Material Adverse Effect. Neither any Loan Party nor any Subsidiary thereof is party to any tax sharing agreement.

**5.12 ERISA Compliance.**

(a) Each Plan is in compliance in all material respects with the applicable provisions of ERISA, the Code and other Federal or state Laws. Each Plan that is intended to qualify under Section 401(a) of the Code has received a favorable determination letter from the IRS or an application for such a letter is currently being processed by the IRS with respect thereto or is using a pre-approved plan document entitled to rely on a favorable opinion letter issued by the IRS. To the best knowledge of the Company, nothing has occurred that would prevent, or cause the loss of, such qualification. The Company and each ERISA Affiliate have made all required contributions to each Plan, and no application for a funding waiver or an extension of any amortization period pursuant to Section 412 of the Code has been made with respect to any Plan.

(b) There are no pending or, to the best knowledge of the Company, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan that could reasonably be expected to have a Material Adverse Effect. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan that has resulted or could reasonably be expected to result in a Material Adverse Effect.

(c) Except as disclosed in Schedule 5.12, (i) no ERISA Event has occurred or is reasonably expected to occur; (ii) no Pension Plan has any Unfunded Pension Liability; (iii) neither the Company nor any ERISA Affiliate has incurred, or reasonably expects to incur, any liability under Title IV of ERISA with respect to any Pension Plan (other than premiums due and not delinquent under Section 4007 of ERISA); (iv) neither the Company nor any ERISA Affiliate has incurred, or reasonably expects to incur, any liability (and no event has occurred

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which, with the giving of notice under Section 4219 of ERISA, would result in such liability) under Section 4201 or 4243 of ERISA with respect to a Multiemployer Plan; and (v) neither the Company nor any ERISA Affiliate has engaged in a transaction that could be subject to Section 4069 or 4212(c) of ERISA.

**5.13 Subsidiaries; Equity Interests.** Except for Subsidiaries acquired after the date hereof and disclosed in writing by the Company to the Administrative Agent, no Loan Party has any Subsidiaries other than those specifically disclosed in Part (a) of Schedule 5.13, and all of the outstanding Equity Interests in such Subsidiaries have been validly issued, are fully paid and nonassessable and are owned by such Loan Party in the amounts specified on Part (a) of Schedule 5.13 free and clear of all Liens except for Permitted Liens. Except for investments that are part of the Company's supplemental executive retirement plan or the Company's deferred compensation plan, the Loan Parties have no equity investments in any other corporation or entity other than those specifically disclosed in Part (b) of Schedule 5.13. All of the outstanding Equity Interests in the Loan Parties have been validly issued and are fully paid and nonassessable.

**5.14 Margin Regulations; Investment Company Act.**

(a) No Borrower is engaged or will engage, principally or as one of its important activities, in the business of purchasing or carrying margin stock (within the meaning of Regulation U issued by the FRB), or extending credit for the purpose of purchasing or carrying margin stock.

(b) No Borrower and no Person Controlling any Borrower, or any Subsidiary is required to be registered as an "investment company" under the Investment Company Act of 1940.

**5.15 Disclosure.** The Borrowers have disclosed to the Administrative Agent and the Lenders all agreements, instruments and corporate or other restrictions to which they or any of their Subsidiaries is subject, and all other matters that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. No report, financial statement, certificate or other information furnished (whether in writing or orally) by or on behalf of any Loan Party to the Administrative Agent or any Lender in connection with the transactions contemplated hereby and the negotiation of this Agreement or delivered hereunder or under any other Loan Document contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

**5.16 Compliance with Laws.** Each Loan Party and each Subsidiary thereof is in compliance in all material respects with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its properties, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted or (b) the failure to comply therewith, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

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**5.17 Taxpayer Identification Number; Other Identifying Information.** The true and correct U.S. taxpayer identification number of the Company and each Domestic Subsidiary is set forth on Schedule 5.17. The true and correct unique identification number of each Foreign Borrower and each Foreign Subsidiary has been issued by its jurisdiction of organization and the name of such jurisdiction are set forth on Schedule 5.17.

**5.18 Intellectual Property; Licenses, Etc.** Each Loan Party and its Subsidiaries own, or possess the right to use, all of the trademarks, service marks, trade names, copyrights, patents, patent rights, franchises, licenses and other intellectual property rights (collectively, "IP Rights") that are reasonably necessary for the operation of their respective businesses, without conflict with the rights of any other Person. No slogan or other advertising device, product, process, method, substance, part or other material now employed, or now contemplated to be employed, by any Loan Party or any Subsidiary that is material for the purposes of the continued operation of their respective businesses infringes upon any rights held by any other Person. Set forth on Schedule 5.18 hereto is a complete list of all patents, trademarks and copyrights of the Loan Parties and their Subsidiaries as of the date of this Agreement. No claim or litigation regarding any of the foregoing is pending or, to the best knowledge of the Company, threatened, which, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

**5.19 Perfection of Security Interest.** Except as set forth on Schedule 5.19, all filings, assignments, pledges and deposits of documents or instruments have been made and all other actions have been taken that are necessary or advisable, under applicable law, to establish and perfect the Administrative Agent's first priority security interest in the Collateral. The Collateral and the Administrative Agent's rights with respect to the Collateral are not subject to any setoff, claims, withholdings or other defenses. The Company and each Guarantor is the owner of the Collateral free from any Lien, except for Liens permitted pursuant to Section 7.01.

**5.20 Solvency.** Upon and immediately after consummation of the transactions contemplated hereby and under the Stock Purchase Agreement and the Senior Subordinated Note Purchase Agreement, the Company and its Subsidiaries on a consolidated basis are Solvent.

**5.21 Bank Accounts.** Schedule 5.21 lists all banks and other financial institutions at which each Loan Party and each of its Subsidiaries maintains deposits and/or other accounts, and such Schedule correctly identifies the name and address of each depository, the name in which the account is held, a description of the purpose of the account, and the complete account number.

**5.22 Obligations as Senior Debt.** The Obligations constitute Senior Indebtedness (as defined in the Subordination Agreement). As such, all of the Obligations (and the Administrative Agent and Lenders) are entitled to the benefits of each of the subordination and other provisions contained in the Subordination Agreement which are available in respect of Senior Indebtedness (and to the holders thereof), and each of such subordination and other provisions is in full force and effect and is enforceable in accordance with its terms.

**5.23 Use of Proceeds.** The Company and its Subsidiaries will use the proceeds of the Loans for the purposes specified in Section 6.11 and not for any other purpose.

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**5.24 Representations as to Foreign Loan Parties.** The Borrowers represent and warrant to the Administrative Agent and the Lenders that:

(a) Each Foreign Loan Party is subject to civil and commercial Laws with respect to its obligations under the Loan Documents to which it is a party (collectively as to such Foreign Loan Party, the "Applicable Foreign Loan Party Documents"), and the execution, delivery and performance by such Foreign Loan Party of the Applicable Foreign Loan Party Documents constitute and will constitute private and commercial acts and not public or governmental acts. Neither such Foreign Loan Party nor any of its property has any immunity from jurisdiction of any court or from any legal process

(whether through service or notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) under the laws of the jurisdiction in which such Foreign Loan Party is organized and existing in respect of its obligations under the Applicable Foreign Loan Party Documents.

(b) The Applicable Foreign Loan Party Documents are in proper legal form for the enforcement thereof against such Foreign Loan Party, and to ensure the legality, validity, enforceability, priority or admissibility in evidence of the Applicable Foreign Loan Party Documents. It is not necessary to ensure the legality, validity, enforceability, priority or admissibility in evidence of the Applicable Foreign Loan Party Documents that the Applicable Foreign Loan Party Documents be filed, registered or recorded with, or executed or notarized before, any court or other authority in the jurisdiction in which such Foreign Loan Party is organized and existing or that any registration charge or stamp or similar tax be paid on or in respect of the Applicable Foreign Loan Party Documents or any other document, except for (i) any such filing, registration, recording, execution or notarization as has been made or, in the case of any Security Documents which are governed by Dutch or Swedish law, will be made in accordance with the terms of those Security Documents or is not required to be made until the Applicable Foreign Loan Party Document or any other document is sought to be enforced and (ii) any charge or tax as has been, or in relation to Security Documents which are governed by Swedish law will be, timely paid.

(c) There is no tax, levy, impost, duty, fee, assessment or other governmental charge, or any deduction or withholding, imposed by any Governmental Authority in or of the jurisdiction in which such Foreign Loan Party is organized and existing either (i) on or by virtue of the execution or delivery of the Applicable Foreign Loan Party Documents or (ii) on any payment to be made by such Foreign Loan Party pursuant to the Applicable Foreign Loan Party Documents.

(d) The execution, delivery and performance of the Applicable Foreign Loan Party Documents executed by such Foreign Loan Party are, under applicable foreign exchange control regulations of the jurisdiction in which such Foreign Loan Party is organized and existing, not subject to any notification or authorization except (i) such as have been made or obtained.

(e) Each Security Document governed by Dutch law has been duly executed by a Dutch Loan Party and, where applicable, notarized and, where applicable, has been or will in accordance with the terms thereof be registered with the Dutch tax authorities and each appropriate register or authority in any jurisdiction in which any of the intellectual property in

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respect of which a Lien is created or purported to be created pursuant to those Security Documents is or can be registered.

(f) No notice under Article 36 Tax Collection Act (*Invoeringswet 1990*) has been given by the Company or any of its Subsidiaries.

**5.25 Outstanding Indebtedness.** As of the Closing Date, neither the Loan Parties nor any Subsidiary has outstanding any Indebtedness except as permitted by Section 7.03.

**5.26 Absence of Financing Statements, Etc.** Except with respect to Permitted Liens and financing statements showing JP Morgan Chase Bank, N.A. as secured party for which the Company is authorized to file appropriate terminations, there is no financing statement, security agreement, chattel mortgage, real estate mortgage or other document filed or recorded with any filing records, registry or other public office, that purports to cover, affect or give notice of any present or possible future Lien on, or security interest in, any assets or property of the Company or any of its Subsidiaries or any rights relating thereto.

**5.27 Foreign Assets Control Regulations, Etc.** (i) Neither the Company nor any Person Controlled by the Company is (a) a Person whose name appears on the list of Specially Designated Nationals and Blocked Persons published by the Office of Foreign Assets Control, United States Department of the Treasury ("OFAC") (an "OFAC Listed Person"), (b) an agent, department, or instrumentality of, or is otherwise beneficially owned by, controlled by or acting on behalf of, directly or indirectly, (x) any OFAC Listed Person or (y) any Person, entity, organization, foreign country or regime that is subject to any OFAC Sanctions Program, or (c) otherwise blocked, subject to sanctions under or engaged in any activity in violation of other United States economic sanctions, including but not limited to, the Trading with the Enemy Act, the International Emergency Economic Powers Act, the Comprehensive Iran Sanctions, Accountability and Divestment Act ("CISADA") or any similar law or regulation with respect to Iran or any other country, the Sudan Accountability and Divestment Act, any OFAC Sanctions Program, or any economic sanctions regulations administered and enforced by the United States or any enabling legislation or executive order relating to any of the foregoing (collectively, "U.S. Economic Sanctions") (each OFAC Listed Person and each other Person, entity, organization and government of a country described in clause (a), clause (b) or clause (c), a "Blocked Person"). Neither the Company nor any Person Controlled by the Company has been notified that its name appears or may in the future appear on a state list of Persons that engage in investment or other commercial activities in Iran or any other country that is subject to U.S. Economic Sanctions.

(ii) No part of the proceeds of the Loans constitutes or will constitute funds obtained on behalf of any Blocked Person or will otherwise be used by the Company or any Person Controlled by the Company, directly or indirectly, (a) in connection with any investment in, or any transactions or dealings with, any Blocked Person, or (b) otherwise in violation of U.S. Economic Sanctions.

(iii) Neither the Company nor any Person Controlled by the Company (a) has been found in violation of, charged with, or convicted of, money laundering, drug trafficking, terrorist-related activities or other money laundering predicate crimes under the Currency and

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Foreign Transactions Reporting Act of 1970 (otherwise known as the Bank Secrecy Act), the USA PATRIOT Act or any other United States law or regulation governing such activities (collectively, "Anti-Money Laundering Laws") or any U.S. Economic Sanctions violations, (b) to the Company's actual knowledge after making due inquiry, is under investigation by any Governmental Authority for possible violation of Anti-Money Laundering Laws or any U.S. Economic Sanctions violations, (c) has been assessed civil penalties under any Anti-Money Laundering Laws or any U.S. Economic Sanctions, or (d) has had any of its funds seized or forfeited in an action under any Anti-Money Laundering Laws. The Company has established procedures and controls which it reasonably believes are adequate (and otherwise comply with applicable law) to ensure that the Company and each Person Controlled by the Company is and will continue to be in compliance with all applicable current and future Anti-Money Laundering Laws and U.S. Economic Sanctions.

(iv) (a) Neither the Company nor any Person Controlled by the Company (w) has been charged with, or convicted of bribery or any other anti-corruption related activity under any applicable law or regulation in a U.S. or any non-U.S. country or jurisdiction, including but not limited to, the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act 2010 (collectively, "Anti-Corruption Laws"), (x) to the Company's actual knowledge after making due inquiry, is under investigation by any U.S. or non-U.S. Governmental Authority for possible violation of Anti-Corruption Laws, (y) has been assessed civil or criminal penalties under any Anti-Corruption Laws or (z) has been or is the target of sanctions imposed by the United Nations or the European Union;

(b) To the Company's actual knowledge after making due inquiry, neither the Company nor any Person Controlled by the Company has, within the last five years, directly or indirectly offered, promised, given, paid or authorized the offer, promise, giving or payment of anything of value to a Governmental Official or a commercial counterparty for the purposes of: (x) influencing any act, decision or failure to act by such Governmental Official in his or her official capacity or such commercial counterparty, (y) inducing a Governmental Official to do or omit to do any act in violation of the Governmental Official's lawful duty, or (z) inducing a Governmental Official or a commercial counterparty to use his or her influence with a government or instrumentality to affect any act or decision of such government or entity; in each case in order to obtain, retain or direct business or to otherwise secure an improper advantage in violation of any applicable law or regulation or which would cause any Lender to be in violation of any law or regulation applicable to such Lender; and

(c) No part of the proceeds of the Loans will be used, directly or indirectly, for any improper payments, including bribes, to any Governmental Official or commercial counterparty in order to obtain, retain or direct business or obtain any improper advantage. The Company has established procedures and controls which it reasonably believes are adequate (and otherwise comply with applicable law) to ensure that the Company and each Person Controlled by the Company is and will continue to be in compliance with all applicable current and future Anti-Corruption Laws.

**5.28 Acquisition Agreement Representations.** To the best of the Borrowers' knowledge, each of the representations and warranties of the Seller in the Acquisition Agreement is true and correct.

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## ARTICLE VI

### AFFIRMATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder, any Loan or other Obligation hereunder shall remain unpaid or unsatisfied, or any Letter of Credit shall remain outstanding, the Borrowers shall, and shall cause each other Loan Party and each Subsidiary to:

**6.01 Financial Statements.** Deliver to the Administrative Agent and each Lender, in form and detail satisfactory to the Administrative Agent and the Required Lenders:

(a) as soon as available, but in any event within 120 days after the end of each fiscal year of the Company and its Subsidiaries, a consolidated and consolidating balance sheet of the Company and its Subsidiaries as at the end of such fiscal year, and the related consolidated and consolidating statements of income or operations, consolidated statements of shareholders' equity and consolidated statement of cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and prepared in accordance with GAAP, such consolidated statements to be audited and accompanied by a report and opinion of a certified public accounting firm acceptable to the Required Lenders, which report and opinion shall be prepared in accordance with generally accepted auditing standards in the United States and shall not be subject to any "going concern" or like qualification or exception or any qualification or exception as to the scope of such audit or with respect to the absence of any material misstatement and such consolidating statements to be certified by a Responsible Officer of the Company;

(b) as soon as available, but in any event within 45 days after the end of each of the first three (3) fiscal quarters of each fiscal year of the Company and its Subsidiaries, a consolidated and consolidating balance sheet of the Company and its Subsidiaries as at the end of such fiscal quarter, and the related consolidated and consolidating statements of income or operations, consolidated statement of shareholders' equity and consolidated statement of cash flows for such fiscal quarter and for the portion of the Company's fiscal year then ended, setting forth in each case in comparative form the figures for the corresponding fiscal quarter of the previous fiscal year and the corresponding portion of the previous fiscal year, all in reasonable detail and certified by a Responsible Officer of the Company as fairly presenting the financial condition, results of operations, shareholders' equity and cash flows of the Company and its Subsidiaries in accordance with GAAP;

(c) as soon as available, but in any event within 60 days after the end of each of the Company's fiscal years, projections for the next succeeding fiscal year, on a consolidated and consolidating basis, on a month to month basis, including a balance sheet as at the end of each relevant period and income statements and statements of cash flows for each relevant period and for the period commencing at the beginning of the fiscal year and ending on the last day of such relevant period, all in form and substance satisfactory to the Administrative Agent and the Required Lenders;

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(d) within 75 days after the Funding Date, a true, correct and complete copy of the closing date inventory count and purchase price adjustment calculation in connection with the Acquisition; and

(e) promptly upon transmission thereof, copies of all such financial statements, proxy statements, notices and reports as it shall send to its public stockholders and copies of all registration statements (without exhibits) and all reports which it files with the Securities and Exchange Commission (or any governmental body or agency succeeding to the functions of the Securities and Exchange Commission).

**6.02 Certificates; Other Information.** Deliver to the Administrative Agent and each Lender, in form and detail satisfactory to the Administrative Agent and the Required Lenders:

(a) concurrently with the delivery of the financial statements referred to in Sections 6.01(a) and (b), a duly completed Compliance Certificate signed by a Responsible Officer of the Company;



(b) promptly upon receipt thereof, copies of any detailed audit reports, management letters or recommendations submitted to the Company or any Subsidiary by independent accountants in connection with the accounts or books of the Company or any Subsidiary, or any audit of any of them;

(c) within thirty (30) days after the end of the month, a duly executed and completed Borrowing Base Certificate executed by the Company and Allied B.V., showing the computation of the Borrowing Capacity, together with a monthly accounts receivable aging and inventory report in form satisfactory to the Administrative Agent and the Lenders;

(d) promptly upon, and in any event not later than the next Business Day after receipt thereof, a copy of any notice received from any Senior Subordinated Note Holder that any default or event of default under the Senior Subordinated Note Purchase Agreement has occurred or any notice of any acceleration of any Senior Subordinated Note;

(e) simultaneously with the transmission thereof, copies of all notices, reports, financial statements or other communications given to any Senior Subordinated Note Holder under the Senior Subordinated Note Purchase Agreement;

(f) within ten days following the date on which the Company's auditors resign or the Company elects to change auditors, as the case may be, notification thereof, together with such supporting information as the Administrative Agent or any Lender may reasonably request;

(g) together with each delivery of financial statements required by Section 6.01(a) above, the Company will deliver to the Administrative Agent and each Lender a certificate of such accountants stating that, in making the audit necessary for their report on such financial statements, they have obtained no knowledge of any Event of Default, or, if they have obtained knowledge of any Event of Default or Default, specifying the nature and period of existence thereof; and

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(h) promptly, such additional information regarding the business, financial or corporate affairs of the Loan Parties or any Subsidiary, or compliance with the terms of the Loan Documents, as the Administrative Agent or any Lender may from time to time reasonably request.

Each Borrower hereby acknowledges that (a) the Administrative Agent and/or the Arrangers will make available to the Lenders and the L/C Issuer materials and/or information provided by or on behalf of such Borrower hereunder (collectively, "Borrower Materials") by posting the Borrower Materials on SyndTrak or another similar electronic system (the "Platform") and (b) certain of the Lenders (each, a "Public Lender") may have personnel who do not wish to receive material non-public information with respect to any of the Borrowers or their respective Affiliates, and who may be engaged in investment and other market-related activities with respect to such Persons' securities. Each Borrower hereby agrees that (w) all Borrower Materials that are to be made available to Public Lenders shall be clearly and conspicuously marked "PUBLIC" which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (x) by marking Borrower Materials "PUBLIC," the Borrowers shall be deemed to have authorized the Administrative Agent, the Arrangers, the L/C Issuer and the Lenders to treat such Borrower Materials as not containing any material non-public information with respect to the Borrowers or their respective securities for purposes of United States Federal and state securities laws (provided, however, that to the extent such Borrower Materials constitute Information, they shall be treated as set forth in Section 10.07); (y) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Side Information;" and (z) the Administrative Agent and the Arranger shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Side Information."

**6.03 Notices.** Promptly notify the Administrative Agent and each Lender of:

(a) the occurrence of any Default;

(b) any matter that has resulted or could reasonably be expected to result in a Material Adverse Effect, including (i) breach or non-performance of, or any default under, a Contractual Obligation of any Loan Party or any Subsidiary; (ii) any dispute, litigation, investigation, proceeding or suspension between any Loan Party or any Subsidiary and any Governmental Authority that would reasonably be expected to have a Material Adverse Effect; or (iii) the commencement of, or any material development in, any litigation or proceeding affecting any Loan Party or any Subsidiary, including pursuant to any applicable Environmental Laws, that would reasonably be expected to have a Material Adverse Effect

(c) the occurrence of any ERISA Event; and

(d) any material change in accounting policies or financial reporting practices by any Loan Party or any Subsidiary.

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Each notice pursuant to this Section 6.03 shall be accompanied by a statement of a Responsible Officer of the Company setting forth details of the occurrence referred to therein and stating what action the applicable Loan Party has taken and proposes to take with respect thereto. Each notice pursuant to Section 6.03(a) shall describe with particularity any and all provisions of this Agreement and any other Loan Document that have been breached.

**6.04 Payment of Obligations.** Pay and discharge as the same shall become due and payable, all its obligations and liabilities, including (a) tax liabilities, assessments and governmental charges or levies upon it or its properties or assets, unless the same are being contested in good faith by appropriate proceedings diligently conducted and adequate reserves in accordance with GAAP are being maintained by the applicable Borrower or Subsidiary; (b) lawful claims which, if unpaid, would by law become a Lien upon its property; and (c) Indebtedness, as and when due and payable, but subject to any subordination provisions contained in any instrument or agreement evidencing such Indebtedness.

**6.05 Preservation of Existence, Etc.** (a) Preserve, renew and maintain in full force and effect its legal existence, if applicable, and good standing under the Laws of the jurisdiction of its organization; (b) take all action to maintain all rights, privileges, permits, licenses and franchises necessary or desirable in the normal conduct of its business, except to the extent that failure to do so could not reasonably be expected to have a Material Adverse

Effect; and (c) preserve or renew all of its registered patents, trademarks, trade names and service marks, the non-preservation of which could reasonably be expected to have a Material Adverse Effect.

**6.06 Maintenance of Properties.** (a) Maintain, preserve and protect all of its properties and assets necessary in the operation of its business in good working order and condition, ordinary wear and tear excepted; (b) make all necessary repairs thereto and renewals and replacements thereof except where the failure to do so could not reasonably be expected to have a Material Adverse Effect; and (c) use the standard of care typical in the industry in the operation and maintenance of its facilities.

**6.07 Maintenance of Insurance.** Maintain with financially sound and reputable insurance companies, insurance with respect to its properties and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business, of such types and in such amounts as are customarily carried under similar circumstances by such other Persons and providing for not less than 30 days' prior notice to the Administrative Agent of termination, lapse or cancellation of such insurance.

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**6.08 Compliance with Laws, Organizational Documents and Contractual Obligations.**

(a) Comply in all material respects with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its business or property, except in such instances in which (i) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted; or (ii) the failure to comply therewith could not reasonably be expected to have a Material Adverse Effect; and

(b) Comply with all Organizational Documents and, except where the failure to comply therewith could not reasonably be expected to have a Material Adverse Effect, all Contractual Obligations.

**6.09 Books and Records.** (a) Maintain proper books of record and account, in which full, true and correct entries in conformity with GAAP consistently applied shall be made of all financial transactions and matters involving the assets and business of the Loan Parties or such Subsidiaries, as the case may be; and (b) maintain such books of record and account in material conformity with all applicable requirements of any Governmental Authority having regulatory jurisdiction over the Company or such Subsidiary, as the case may be.

**6.10 Inspection Rights.** Permit representatives and independent contractors of the Administrative Agent and each Lender, during normal business hours, to visit and inspect any of its properties, to examine its corporate, financial and operating records, and make copies thereof or abstracts therefrom, and to discuss its affairs, finances and accounts with its directors, officers, and independent public accountants, all at the expense of the Company as often as may be reasonably desired; provided that the Administrative Agent and the Lenders shall use reasonable efforts not to disrupt the business operations of any of the Loan Parties.

**6.11 Use of Proceeds.** Use the proceeds of the Credit Extensions for (a) general corporate purposes, including working capital, capital expenditures and other lawful corporate purposes and (b) to finance the Acquisition as contemplated by the Stock Purchase Agreement.

**6.12 Additional Guarantors and Pledgors.** Notify the Administrative Agent at the time that any Person becomes a Subsidiary and promptly thereafter (and in any event within 30 days), (a) cause such Person to (i) guaranty all Obligations (or, if such Person is a Foreign Subsidiary and (A) executing a Guaranty would result in a materially adverse tax consequence to the Loan Parties, all Foreign Loan Party Obligations or (B) if the Company determines in good faith that a guaranty of all Obligations or all Foreign Obligations by any such Foreign Subsidiary would not be advisable due to local solvency or similar restrictions, all Obligations of its parent that is a Foreign Borrower), by executing and delivering to the Administrative Agent a Guaranty or such other document as the Administrative Agent shall deem appropriate for such purpose and (ii) secure all of its Obligations as described in Section 2.13 by providing the Administrative Agent with a first priority perfected security interest (subject only to Liens permitted by Section 7.01 entitled to priority under applicable law) on its assets and by executing a security agreement and such other documents as the Administrative Agent shall deem appropriate for such purpose, (b) if such Subsidiary is a Domestic Subsidiary, a Foreign Subsidiary of a Foreign Loan Party or a first-tier Foreign Subsidiary of a Domestic Loan Party, the parent entity of such

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Person shall pledge the equity of such Subsidiary as security for the Obligations; provided that, such equity pledge shall be limited to 65% of the capital stock of such Foreign Subsidiary to the extent the pledge secures Domestic Loan Party Obligations and a pledge of any greater percentage would result in material adverse tax consequences to any Loan Party (for the avoidance of doubt, to the extent the equity pledge of the Foreign Subsidiary secures Foreign Loan Party Obligations or Obligations of any particular Foreign Loan Party, such limitation shall not apply), and (c) deliver to the Administrative Agent documents of the types referred to in clauses (v) and (vi) of Section 4.01(a) and favorable opinions of counsel to such Person (which shall cover, among other things, the legality, validity, binding effect and enforceability of the documentation referred to in clauses (a) and (b)), all in form, content and scope reasonably satisfactory to the Administrative Agent.

**6.13 Operating Accounts.** Maintain its primary operating account with Bank of America.

**6.14 Portugal Mortgage Loan.** Provided that prepayment of the Term Loan with proceeds of the Portugal Mortgage Loan (as defined below) does not result in material adverse tax consequences for the Company, use its best efforts to cause Globe LDA on or before March 31, 2014 to obtain a mortgage loan to be secured by Globe LDA's real property located at Rua da Longa, 300 Modivas, Vila do Conde, Portugal (the "Portugal Mortgage Loan") and use the proceeds of such loan to prepay a portion of the Term Loan.

**6.15 Portuguese Additional Guarantor.** Within seven (7) Business Days of the Closing Date cause Globe LDA to deliver to the Administrative Agent each of the documents required pursuant to Section 6.12, including a Pledge Agreement (Quota) in the form attached as Exhibit N and a Pledge Agreement (Business and Equipment) in the form attached as Exhibit O, together with a copy of the constitutional documents, including (as applicable): a certified copy of (a) the updated and consolidated articles of association ("estatutos") and (b) the commercial registry certificate issued by the competent Commercial Registry Office ("Conservatória de Registo Comercial") or permanent certificate ("certidão permanente") available at the Portuguese website "Portal da Empresa") and a certified copy of a resolution signed by all the holders of the quotas (in case of a limited liability company by quotas) and

a board resolution or general meeting of shareholders resolution, as applicable (in case of limited liability company by shares) (i) approving the guaranty of all Obligations of Allied B.V. and granting a first perfected security interest over its intellectual property rights, receivables, stocks and all moveable assets in a manner satisfactory to the Administrative Agent; and (ii) expressing the existence of a "justifiable self interest" in granting the relevant guarantees, pursuant to article 6, no. 3 of the Portuguese Commercial Code.

**6.16 Interest Rate Swap.** On or before November 17, 2013 enter into a Swap Contract pursuant to the ISDA Agreement fixing the interest rate on not less than \$25,000,000 of the principal of the Term Loan.

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## ARTICLE VII

### NEGATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder, any Loan or other Obligation hereunder shall remain unpaid or unsatisfied, or any Letter of Credit shall remain outstanding, the Loan Parties shall not, nor shall they permit any Subsidiary to, directly or indirectly:

**7.01 Liens.** Create, incur, assume or suffer to exist any Lien upon any of their property, assets or revenues, whether now owned or hereafter acquired, other than the following:

(a) Liens created pursuant to any Loan Document;

(b) Liens listed on Schedule 7.01;

(c) Liens for taxes not yet due or which are being contested in good faith and by appropriate proceedings diligently conducted, if adequate reserves with respect thereto are maintained on the books of the applicable Person in accordance with GAAP;

(d) Liens against a Loan Party or any Subsidiary arising in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security, or to secure the performance of tenders, statutory obligations, surety and appeal 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 other Indebtedness), so long as no foreclosure, sale or similar proceedings have been commenced with respect to any portion of the Collateral on account thereof; easements, rights-of-way, restrictions and other similar encumbrances affecting real property which, in the aggregate, are not substantial in amount, and which do not in any case materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business of the applicable Person;

(e) any security interest or set-off arrangements entered into by the Company or any of its Subsidiaries in the ordinary course of its banking arrangements which arise under clauses 24 or 25 (or corresponding provisions if amended) respectively of the general terms and conditions (*algemene bankvoorwaarden*) of any member of the Dutch Bankers' Association (*Nederlandse Vereniging van Banken*) or customary title retention arising in connection with the purchase of goods in the ordinary course of business;

(f) purported Liens evidenced by the filing of precautionary UCC financing statements relating solely to operating leases of personal property entered into in the ordinary course of business;

(g) any security interest in a capital or fixed asset that secures Indebtedness incurred for the purpose of acquiring such asset and which is permitted by Section 7.03;

(h) preemptive rights set out in the Organizational Documents of any of the Loan Parties and their Subsidiaries on the date hereof; provided that in the case of Allied AB, the

preemptive rights (*Sw. hembudsförbehåll*) shall be removed from its articles of association within thirty (30) days following the Closing Date; and

(i) Liens to secure Indebtedness permitted pursuant to Section 7.03(i).

**7.02 Investments.** Make any Investments, except:

(a) Investments held by the Borrowers in the form of cash equivalents or short-term marketable debt securities;

(b) Investments of the Borrowers and/or their Subsidiaries listed on Schedule 5.13;

(c) advances to officers, directors and employees of the Borrowers and Subsidiaries in an aggregate amount not to exceed \$100,000 at any time outstanding, for travel, entertainment, relocation and analogous ordinary business purposes; and

(d) Investments that are part of the Company's supplemental executive compensation plan or the Company's deferred compensation plan.

**7.03 Indebtedness.** Create, incur, assume or suffer to exist any Indebtedness, except:

(a) Indebtedness under the Loan Documents;

(b) Indebtedness outstanding listed on Schedule 7.03 and any refinancing, refundings, renewals or extensions thereof so long as the principal amount of such Indebtedness is not increased;

(c) obligations (contingent or otherwise) of the Company or any Subsidiary existing or arising under any Swap Contract, provided that (i) such obligations are (or were) entered into by such Person in the ordinary course of business for the purpose of directly mitigating risks associated with liabilities, commitments, investments, assets, or property held or reasonably anticipated by such Person, or changes in the value of securities issued by such Person, and not for purposes of speculation or taking a “market view;” and (ii) such Swap Contract does not contain any provision exonerating the non-defaulting party from its obligation to make payments on outstanding transactions to the defaulting party;

(d) the Senior Subordinated Indebtedness and any refinancings, refundings, renewals or extensions of the Senior Subordinated Indebtedness as long as (A) the principal amount of such Indebtedness is not increased except as permitted pursuant to the Subordination Agreement, (B) such Indebtedness remains subordinated to the Obligations to the same extent as on the Closing Date and (C) the terms of such refinancing, refunding, renewal or extension are not materially less favorable and the term to maturity is not shortened;

(e) Any Indebtedness owing by one Loan Party or Subsidiary to another Loan Party;

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(f) Any Indebtedness incurred by a Loan Party or any Subsidiary to finance the acquisition, construction or improvement of a capital or fixed asset that constitutes a capital expenditure permitted by this Agreement;

(g) Any Indebtedness that arises from a change in the classification of an operating lease to a Capital Lease Obligation resulting from a change in GAAP;

(h) Indebtedness of Globe LDA pursuant to a mortgage loan secured by Globe LDA’s real property located at Rua Da Longa, 300 Modivas, Vila De Conde, Portugal; and

(i) Indebtedness of Allied Motion (Changzhou Motor Company Ltd. and/or Allied Motion (Changzhou) Trading Co., Ltd. to JPMorgan Chase Bank (China) Company Limited Shanghai Branch in an amount not to exceed 9,500,000 Chinese Renminbi (the “Allied China Line”).

**7.04 Fundamental Changes.** Merge, dissolve, liquidate, consolidate with or into another Person, or Dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to or in favor of any Person, except that, so long as no Default exists or would result therefrom:

(a) any Subsidiary or Loan Party may merge with (i) a Loan Party, provided that a Loan Party shall be the continuing or surviving Person, or (ii) any one or more other Subsidiaries, provided that (x) when any Loan Party is merging with another Subsidiary, the Loan Party shall be the continuing or surviving Person or the surviving Person shall become a Loan Party;

(b) any Subsidiary or other Loan Party may Dispose of all or substantially all of its assets (upon voluntary liquidation or otherwise) to a Loan Party or to another Subsidiary; provided that (x) if the transferor in such a transaction is a Loan Party, then the transferee must either be a Loan Party or become a Loan Party and (y) if the transferor is a Domestic Loan Party, then the transferee must be a Domestic Loan Party; and

(c) Globe Inc. may distribute or transfer all of the outstanding shares of stock of Globe LDA and Globe Motors de Mexico SA de CV to the Company and the Company may contribute such shares to Allied B.V., and

(d) Globe LDA may convert to a public limited liability company.

**7.05 Dispositions.** Make any Disposition or enter into any agreement to make any Disposition, except:

(a) Dispositions of obsolete or worn out property in the ordinary course of business;

(b) Dispositions of inventory in the ordinary course of business;

(c) Dispositions of equipment or real property to the extent that (i) such property is exchanged for credit against the purchase price of similar replacement property or (ii)

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the proceeds of such Disposition are reasonably promptly applied to the purchase price of such replacement property;

(d) Dispositions of property by any Subsidiary to a Loan Party, or by one Loan Party to another Loan Party;

(e) Dispositions permitted by Section 7.04; and

(f) Dispositions of property not used or useful in the business of the Company or any of its Subsidiaries;

provided, however, that any Disposition pursuant to clauses (a) through (f) shall be for fair market value and shall remain subject to Section 10.21.

**7.06 Change in Nature of Business.** Engage in any material line of business substantially different from those lines of business conducted by the Company and its Subsidiaries on the Closing Date or any business substantially related or incidental thereto.

**7.07 Transactions with Affiliates.** Except as described in Schedule 7.07, enter into any transaction of any kind with any Affiliate of the Company, whether or not in the ordinary course of business, other than on fair and reasonable terms substantially as favorable to the applicable Loan Party or such Subsidiary as would be obtainable by the applicable Loan Party or such Subsidiary at the time in a comparable arm's length transaction with a Person other than an Affiliate,

**7.08 Burdensome Agreements.** Except as set forth on Schedule 7.08 or, enter into any Contractual Obligation (other than this Agreement or any other Loan Document or the Senior Subordinated Note Documents) that limits the ability (a) of any Subsidiary to make Restricted Payments to the Company or any other Loan Party or to otherwise transfer property to the Company or any other Loan Party, (b) of any Subsidiary to Guaranty the Indebtedness of the Company or any other Loan Party or (c) of the Loan Party or any Subsidiary to create, incur, assume or suffer to exist Liens on property of such Person, except for a customary restriction on granting a Lien on property that is imposed under the documents pursuant to which a Loan Party financed such property (provided that such Indebtedness is permitted under Section 7.03 hereof.

**7.09 Use of Proceeds.** Use the proceeds of any Credit Extension, whether directly or indirectly, and whether immediately, incidentally or ultimately, to purchase or carry margin stock (within the meaning of Regulation U of the FRB) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund indebtedness originally incurred for such purpose.

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**7.10 Financial Covenants.**

(a) **Minimum Fixed Charge Coverage Ratio.** Permit the Fixed Charge Coverage Ratio, as at the end of any fiscal quarter to be less than 1.25:10 as of the end of any fiscal quarter.

(b) **Total Leverage Ratio.** Permit the Total Leverage Ratio, as of the end of any fiscal quarter to be greater than (i) for the fiscal quarters ending on or about December 31, 2013, March 31, 2014, June 30, 2014 and September 30, 2014, 4.0:1.0, (ii) for the fiscal quarter ending on or about December 31, 2014, March 31, 2015, June 30, 2015 and September 30, 2015, 3.0:1.0, (iii) for the fiscal quarters ending on or about December 31, 2015, March 31, 2016, June 30, 2016 and September 30, 2016, 2.5 to 1.0 or (iv) for each fiscal quarter thereafter, 2.25:1.0.

**7.11 Modifications of Certain Documents; Designation of Senior Debt.** (a) Except as permitted pursuant to the Subordination Agreement, consent to any amendment or modification of or supplement to any of the provisions of any documents or agreements evidencing or governing the Senior Subordinated Notes, or (b) consent to any amendment or modification of or supplement to any of the provisions of any documents or agreements evidencing or governing any other Indebtedness set forth on Schedule 7.03 in such manner as would be have a material adverse impact on the interests of the Lenders.

**7.12 Sale-Leaseback Transactions.** Directly or indirectly, enter into any arrangements with any Person whereby such Person shall sell or transfer (or request another Person to purchase) any property, real, personal or mixed, used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property from any Person.

**7.13 Capital Expenditures.** Make or become legally obligated to make any expenditure in respect of the purchase or other acquisition of any fixed or capital asset, except for (a) capital expenditures not to exceed €500,000 in the aggregate in connection with the construction of a new facility in The Netherlands to be leased by Allied B.V. and (b) capital expenditures in the ordinary course of business not exceeding, in the aggregate for the Loan Parties and their Subsidiaries the amount set forth below during the fiscal year set forth below:

<u>F/Y Ending</u>	<u>Maximum Amount</u>
December 31, 2013	\$ 5,400,000
December 31, 2014	\$ 6,400,000
December 31, 2015 and thereafter	\$ 7,000,000

**7.14 Restricted Payments.** Except as specifically permitted pursuant to the Subordination Agreement, make any Restricted Payments if any Default or Event of Default exists or would result therefrom, other than payments of dividends or similar distributions to the Company or a Subsidiary.

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**7.15 Senior Subordinated Indebtedness.** Prepay any of the Senior Subordinated Indebtedness or make any payment with respect to the Senior Subordinated Indebtedness that is prohibited by the Subordination Agreement.

**7.16 Fiscal Year.** Change its fiscal year or fiscal quarter accounting periods from those in effect for the fiscal year ended December 31, 2012.

**7.17 Terrorism Sanctions Regulations.** The Company covenants that it will not, and will not permit any Person Controlled by the Company to, (i) become (including by virtue of being owned or controlled by a Blocked Person), own or control a Blocked Person or any Person that is the target of sanctions imposed by the United Nations or by the European Union, or (ii) directly or indirectly have any investment or engage in any dealing or transaction (including, without limitation, any investment, dealing or transaction involving the proceeds of the Loans) with any Person if such investment, dealing or transaction (a) would cause any Lender to be in violation of any law or regulation applicable to such Lender, or (b) is prohibited by or subject to sanctions under any U.S. Economic Sanctions, or (iii) engage, or permit any Affiliate of either to engage, in any activity that could subject such Person or any Lender to sanctions under CISADA or any similar law or regulation with respect to Iran or any other country that is subject to U.S. Economic Sanctions.

**8.01 Events of Default.** Any of the following shall constitute an Event of Default:

- (a) **Non-Payment.** Any Borrower or any other Loan Party fails to pay (i) when and as required to be paid herein, and in the currency required hereunder, any amount of principal of any Loan or any L/C Obligation, or (ii) within three (3) days of when and as required to be paid herein, and in the currency required hereto, any interest on any Loan or on any L/C Obligation, or any fee due hereunder, or any other amount payable hereunder or under any other Loan Document or any other Obligations or Indebtedness owed to any Lender; or
- (b) **Specific Covenants.** Any Borrower fails to perform or observe any term, covenant or agreement contained in any of Section 6.01, 6.02, 6.03, 6.05, 6.07, 6.10, 6.11, 6.12 or 6.13 or Article VII; or
- (c) **Other Defaults.** Any Loan Party fails to perform or observe any other covenant or agreement (not specified in subsection (a) or (b) above) contained in any Loan Document on its part to be performed or observed and such failure continues for 30 days; or
- (d) **Representations and Warranties.** Any representation, warranty, certification or statement of fact made or deemed made by or on behalf of any Loan Party herein, in any other Loan Document, or in any document delivered in connection herewith or therewith shall be incorrect or misleading in any material respect when made or deemed made; or

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(e) **Cross-Default.** (i) Any Loan Party or any Subsidiary (A) fails to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) in respect of any (x) Indebtedness or Guaranty (other than Indebtedness hereunder and or other Obligations having an aggregate principal amount (including undrawn committed or available amounts and including amounts owing to all creditors under any combined or syndicated credit arrangement) of more than the Threshold Amount (any such Indebtedness or Guaranty, "**Material Indebtedness**"), or (y) Material Rental Obligation, (B) fails to observe or perform any other agreement or condition relating to any such Material Indebtedness, or Material Rental Obligation or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs, the effect of which default or other event is to (x) cause, or to permit the holder or holders of such Material Indebtedness or the beneficiary or beneficiaries of such Material Rental Obligation (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause such Material Indebtedness or Material Rental Obligation to be demanded or to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Material Indebtedness to be made, prior to its stated maturity, to become payable or Cash Collateral in respect thereof to be demanded or (y) cause or permit the lease with respect to any Material Rental Obligation of any Borrower or any of its Subsidiaries to be terminated prior to its scheduled expiration date; or (ii) there occurs under any Swap Contract an Early Termination Date (as defined in such Swap Contract or, if not so defined, any similar event under such Swap Contract) resulting from (A) any event of default under such Swap Contract as to which any Borrower or any Subsidiary is the Defaulting Party (as defined in such Swap Contract or, if not so defined, any similar term in such Swap Contract) or (B) any Termination Event (as so defined or, if not so defined, any similar event under such Swap Contract) under such Swap Contract as to which any Borrower or any Subsidiary is an Affected Party (as defined in such Swap Contract or, if not so defined, any similar term in such Swap Contract) and, in either event, the Swap Termination Value owed by any Borrower or such Subsidiary as a result thereof is greater than the Threshold Amount; or

(f) **Insolvency Proceedings, Etc.** Any Loan Party or any of its Subsidiaries institutes or consents to the institution of any proceeding under any Debtor Relief Law, or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, trustee in bankruptcy, custodian, conservator, liquidator, rehabilitator or similar officer for it or for all or any material part of its property; or any receiver, trustee, trustee in bankruptcy, custodian, conservator, liquidator, rehabilitator or similar officer is appointed without the application or consent of such Person and the appointment continues undischarged or unstayed for 60 calendar days; or any proceeding under any Debtor Relief Law relating to any such Person or to all or any material part of its property is instituted without the consent of such Person and continues undismissed or unstayed for 60 calendar days, or an order for relief is entered in any such proceeding; or

(g) **Inability to Pay Debts; Attachment.** (i) Any Borrower or any Subsidiary becomes unable or admits in writing its inability or fails generally to pay its debts as they become due, or (ii) any writ or warrant of attachment or execution or similar process is issued or levied against all or any material part of the property of any such Person and is not released, vacated or fully bonded within 30 days after its issue or levy; or

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(h) **Judgments.** There is entered against any Borrower or any Subsidiary (i) one or more final judgments or orders for the payment of money not covered by insurance in an aggregate amount (as to all such judgments or orders) exceeding the Threshold Amount, or (ii) any one or more non-monetary final judgments that have, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect and, in either case, (A) enforcement proceedings are commenced by any creditor upon such judgment or order, or (B) there is a period of 45 consecutive days during which a stay of enforcement of such judgment, by reason of a pending appeal or otherwise, is not in effect; or

(i) **ERISA.** (i) An ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan which has resulted or could reasonably be expected to result in liability of the Company under Title IV of ERISA to the Pension Plan, Multiemployer Plan or the PBGC in an aggregate amount in excess of the Threshold Amount, or (ii) the Company or any ERISA Affiliate fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan in an aggregate amount in excess of the Threshold Amount; or

(j) **Invalidity of Loan Documents.** Any provision of any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all the Obligations, ceases to be in full force and effect; or any Loan Party or any other Person contests in any manner the validity or enforceability of any provision of any Loan Document; or any Loan Party denies that it has any or further liability or obligation under any Loan Document, or purports to revoke, terminate or rescind any provision of any Loan Document; or

(k) **Change of Control.** There occurs any Change of Control; or

(l) **Invalidity of Liens.** Any of the following shall occur: (i) the Liens created hereunder or under the other Loan Documents shall at any time cease to constitute valid and perfected Liens on any Collateral which is intended to be covered thereby other than with the consent, in writing, of the Administrative Agent or with respect to any asset that is the subject of a Permitted Disposition; (ii) any Loan Document shall for whatever reason be terminated, or shall cease to be in full force and effect other than with the consent, in writing, of the Administrative Agent or otherwise in accordance with its terms; or (iii) the enforceability of any Loan Document shall be contested by any Loan Party or any of its Subsidiaries.

(m) **Tax Status.** A notice under Article 36 Tax Collection Act (*Invorderingswet 1990*) has been given by the Company or any of its Subsidiaries.

**8.02 Remedies Upon Event of Default.** If any Event of Default occurs and is continuing, the Administrative Agent shall, at the request of, or may, with the consent of, the Required Lenders, take any or all of the following actions:

(a) declare the commitment of each Lender to make Revolving Loans and any obligation of the L/C Issuer to make L/C Credit Extensions to be terminated, whereupon such commitments and obligation shall be terminated;

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(b) declare the unpaid principal amount of all outstanding Loans, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder or under any other Loan Document to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Borrowers;

(c) require that the Borrowers Cash Collateralize the L/C Obligations (in an amount equal to 103% of the then Outstanding Amount thereof); and

(d) exercise on behalf of itself, the Lenders and the L/C Issuer all rights and remedies available to it, the Lenders and the L/C Issuer under the Loan Documents;

provided, however, that upon the occurrence of an actual or deemed entry of an order for relief with respect to any Borrower under any Debtor Relief Law, the obligation of each Lender to make Loans and any obligation of the L/C Issuer to make L/C Credit Extensions shall automatically terminate, the unpaid principal amount of all outstanding Loans and all interest and other amounts as aforesaid shall automatically become due and payable, and the obligation of the Borrowers to Cash Collateralize the L/C Obligations as aforesaid shall automatically become effective, in each case without further act of the Administrative Agent or any Lender.

**8.03 Application of Funds.** After the exercise of remedies provided for in Section 8.02 (or after the Loans have automatically become immediately due and payable and the L/C Obligations have automatically been required to be Cash Collateralized as set forth in the proviso to Section 8.02), any amounts received on account of the Obligations shall be applied by the Administrative Agent in the following order:

First, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (including fees, charges and disbursements of counsel to the Administrative Agent and amounts payable under Article III) payable to the Administrative Agent in its capacity as such;

Second, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal, interest and Letter of Credit Fees) payable to the Lenders and the L/C Issuer (including fees, charges and disbursements of counsel to the respective Lenders and the L/C Issuer and amounts payable under Article III), ratably among them in proportion to the respective amounts described in this clause Second payable to them;

Third, to payment of that portion of the Obligations constituting accrued and unpaid Letter of Credit Fees and interest on the Loans, L/C Borrowings and other Obligations, ratably among the Lenders and the L/C Issuer in proportion to the respective amounts described in this clause Third payable to them;

Fourth, to payment of that portion of the Obligations constituting (i) Bank Product Obligations (other than obligations under and in respect of lease financing or related services) and (ii) unpaid principal of the Loans and L/C Borrowings, ratably among the Lenders and the L/C Issuer in proportion to the respective amounts described in this clause Fourth held by them;

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Fifth, to the Administrative Agent for the account of the L/C Issuer, to Cash Collateralize that portion of L/C Obligations comprised of the aggregate undrawn amount of Letters of Credit;

Sixth, to all other Obligations; and

Last, the balance, if any, after all of the Obligations have been indefeasibly paid in full, to the Company or as otherwise required by Law.

Subject to Section 2.04(g), amounts used to Cash Collateralize the aggregate undrawn amount of Letters of Credit pursuant to clause Fifth above shall be applied to satisfy drawings under such Letters of Credit as they occur. If any amount remains on deposit as Cash Collateral after all Letters of Credit have either been fully drawn or expired, such remaining amount shall be applied to the other Obligations, if any, in the order set forth above.

## ARTICLE IX

### ADMINISTRATIVE AGENT

**9.01 Appointment and Authority.** Each of the Lenders and the L/C Issuer hereby irrevocably appoints Bank of America to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are

reasonably incidental thereto, and each of the Lenders and the L/C Issuer irrevocably authorizes the Administrative Agent, on its behalf, to enter into and deliver each Security Document. The provisions of this Article are solely for the benefit of the Administrative Agent, the Lenders and the L/C Issuer, and no Borrower nor any other Loan Party shall have rights as a third party beneficiary of any of such provisions. Each of the Lenders and the L/C Issuer authorize the Administrative Agent to accept the parallel debt provisions as included in each of the Loan Documents governed by Dutch law.

**9.02 Rights as a Lender.** The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term “Lender” or “Lenders” shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Borrowers or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

**9.03 Exculpatory Provisions.** The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, the Administrative Agent:

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(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or applicable law; and

(c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to any of the Borrowers or any of their respective Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 10.01 and 8.02) or (ii) in the absence of its own gross negligence or willful misconduct. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given to the Administrative Agent by the Company, a Lender or the L/C Issuer.

The Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

**9.04 Reliance by Administrative Agent.** The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, or the issuance of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or the L/C Issuer, the Administrative Agent may presume that such condition is

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satisfactory to such Lender or the L/C Issuer unless the Administrative Agent shall have received notice to the contrary from such Lender or the L/C Issuer prior to the making of such Loan or the issuance of such Letter of Credit. The Administrative Agent may consult with legal counsel (who may be counsel for the Company), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

**9.05 Delegation of Duties.** The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

**9.06 Resignation of Administrative Agent.** The Administrative Agent may at any time give notice of its resignation to the Lenders, the L/C Issuer and the Company. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Company, and, if no Event of Default has occurred and is continuing, the consent of the Company, (which consent shall be unreasonably withheld) to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may on behalf of the Lenders and the L/C Issuer, appoint a successor Administrative Agent meeting the qualifications set forth above; provided that if the Administrative Agent shall notify the Company and the Lenders that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (1) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Administrative Agent on behalf of the Lenders or the L/C Issuer under any of the Loan Documents, the retiring Administrative Agent shall continue to



hold such collateral security until such time as a successor Administrative Agent is appointed) and (2) all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender and the L/C Issuer directly, until such time as the Required Lenders appoint a successor Administrative Agent as provided for above in this Section. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) Administrative Agent, and the retiring Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section). The fees payable by the Company to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Company and such successor. After the retiring Administrative Agent's resignation hereunder and under the other Loan Documents, the provisions of this Article and Section 10.04 shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of

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any actions taken or omitted to be taken by any of them while the retiring Administrative Agent was acting as Administrative Agent.

Any resignation by Bank of America as Administrative Agent pursuant to this Section shall also constitute its resignation as L/C Issuer. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring L/C Issuer, (b) the retiring L/C Issuer shall be discharged from all of their respective duties and obligations hereunder or under the other Loan Documents, and (c) the successor L/C Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to the retiring L/C Issuer to effectively assume the obligations of the retiring L/C Issuer with respect to such Letters of Credit.

**9.07 Non-Reliance on Administrative Agent and Other Lenders.** Each Lender and the L/C Issuer acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender and the L/C Issuer also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

**9.08 No Other Duties, Etc.** Anything herein to the contrary notwithstanding, none of the Arrangers, Book Managers or Documentation Agents listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent, a Lender or the L/C Issuer hereunder.

**9.09 Administrative Agent May File Proofs of Claim.** In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Loan Party, the Administrative Agent (irrespective of whether the principal of any Loan or L/C Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on any Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, L/C Obligations and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the L/C Issuer and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the L/C Issuer and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders, the L/C Issuer and the Administrative Agent under Sections 2.04(i) and (j), 2.09 and 10.04) allowed in such judicial proceeding; and

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(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, trustee in bankruptcy, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender and the L/C Issuer to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders and the L/C Issuer, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Sections 2.09 and 10.04.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender or the L/C Issuer any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or the L/C Issuer to authorize the Administrative Agent to vote in respect of the claim of any Lender or the L/C Issuer in any such proceeding.

**9.10 Collateral and Guaranty Matters.** The Lenders and the L/C Issuer irrevocably authorize the Administrative Agent, at its option and in its sole discretion,

(a) to release any Lien on any property granted to or held by the Administrative Agent under any Loan Document (i) upon termination of the Aggregate Commitments and payment in full of all Obligations (other than contingent indemnification obligations) and the expiration or termination of all Letters of Credit, (ii) that is sold or to be sold as part of or in connection with any sale permitted hereunder or under any other Loan Document, or (iii) subject to Section 10.01, if approved, authorized or ratified in writing by the Required Lenders or otherwise permitted under this Agreement;

(b) to subordinate any Lien on any property granted to or held by the Administrative Agent under any Loan Document to the holder of any Lien on such property that is permitted by Section 7.01; and

(c) to release any Guarantor (other than a Borrower) from its obligations under its Guaranty if such Person ceases to be a Subsidiary as a result of a transaction permitted hereunder.

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## ARTICLE X

### MISCELLANEOUS

**10.01 Amendments, Etc.** No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by the Company or any other Loan Party therefrom, shall be effective unless in writing signed by the Required Lenders and the Company or the applicable Loan Party, as the case may be, and acknowledged by the Administrative Agent, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no such amendment, waiver or consent shall:

(a) waive any condition set forth in [Section 4.01\(a\)](#) without the written consent of each Lender;

(b) extend or increase the Commitment of any Lender (or reinstate any Commitment terminated pursuant to [Section 8.02](#)) without the written consent of such Lender;

(c) postpone any date fixed by this Agreement or any other Loan Document for any payment (excluding mandatory prepayments, which may be postponed or waived by the Required Lenders) of principal, interest, fees or other amounts due to the Lenders (or any of them) hereunder or under any other Loan Document without the written consent of each Lender directly affected thereby;

(d) reduce the principal of, or the rate of interest specified herein on, any Loan or L/C Borrowing, or (subject to clause (iv) of the second proviso to this [Section 10.01](#)) any fees or other amounts payable hereunder or under any other Loan Document without the written consent of each Lender directly affected thereby; provided, however, that only the consent of the Required Lenders shall be necessary (i) to amend the definition of "Default Rate" or to waive any obligation of any Borrower to pay interest or Letter of Credit Fees at the Default Rate or (ii) to amend any financial covenant hereunder (or any defined term used therein) even if the effect of such amendment would be to reduce the rate of interest on any Loan or L/C Borrowing or to reduce any fee payable hereunder;

(e) change [Section 2.12](#) or [Section 8.03](#) in a manner that would alter the pro rata sharing of payments required thereby without the written consent of each Lender;

(f) change any provision of this Section or the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder without the written consent of each Lender;

(g) release any Loan Party without the written consent of each Lender;

(h) release all or substantially all of the Collateral in any transaction or series of related transactions;

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(i) release any Borrower or permit any Borrower to assign or transfer any of its rights or obligations under this Agreement or the other Loan Documents without the consent of each Lender;

(j) impose any greater restriction on the ability of any Lender to assign any of its rights or obligations hereunder without the written consent of the Required Lenders; or

(k) amend [Section 1.06](#) or the definition of "Alternative Currency" without the written consent of each Lender;

and, provided further, that (i) no amendment, waiver or consent shall, unless in writing and signed by the L/C Issuer in addition to the Lenders required above, affect the rights or duties of the L/C Issuer under this Agreement or any Issuer Document relating to any Letter of Credit issued or to be issued by it; (ii) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above, affect the rights or duties of the Administrative Agent under this Agreement or any other Loan Document; (iii) [Section 10.06\(g\)](#) may not be amended, waived or otherwise modified without the consent of each Granting Lender all or any part of whose Loans are being funded by an SPC at the time of such amendment, waiver or other modification; and (iv) the Fee Letter may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto. Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder, except that the Commitment of such Lender may not be increased or extended without the consent of such Lender.

Notwithstanding any provision herein to the contrary, this Agreement may be amended with the written consent of the Administrative Agent, the L/C Issuer, the Borrowers and the Lenders affected thereby to amend the definition of "Alternative Currency" or "Eurocurrency Rate" solely to add additional currency options and the applicable interest rate with respect thereto, in each case solely to the extent permitted pursuant to [Section 1.09](#).

### **10.02 Notices; Effectiveness; Electronic Communication.**

(a) **Notices Generally.** Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (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, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(i) if to a Borrower, the Administrative Agent, the L/C Issuer, to the address, telecopier number, electronic mail address or telephone number specified for such Person on Schedule 10.02; and

(ii) if to any other Lender, to the address, telecopier number, electronic mail address or telephone number specified in its Administrative Questionnaire.

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Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications 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) provided that electronic confirmation of a successful transmission has been received by the sender. Notices and other communications delivered through electronic communications to the extent provided in subsection (b) below, shall be effective as provided in such subsection (b).

(b) **Electronic Communications.** Notices and other communications to the Lenders and the L/C Issuer hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent, provided that the foregoing shall not apply to notices to any Lender or the L/C Issuer pursuant to Article II if such Lender or the L/C Issuer, as applicable, has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent or the Company may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications. Unless the Administrative 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 acknowledgement), provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent 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) **The Platform.** THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING 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 BORROWER MATERIALS OR THE PLATFORM. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to any Borrower, any Lender, the L/C Issuer or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of any Borrower's or the Administrative Agent's transmission of Borrower Materials through the Internet, except to the extent that such losses, claims, damages, liabilities or expenses are determined by a court of competent jurisdiction by a final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Agent Party; provided, however, that in no event shall

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any Agent Party have any liability to any Borrower, any Lender, the L/C Issuer or any other Person for indirect, special, incidental, consequential or punitive damages (as opposed to direct or actual damages).

(d) **Change of Address, Etc.** Each of the Borrowers, the Administrative Agent, and the L/C Issuer may change its address, telecopier or telephone number for notices and other communications hereunder by notice to the other parties hereto. Each other Lender may change its address, telecopier or telephone number for notices and other communications hereunder by notice to the Company, the Administrative Agent, and the L/C Issuer. In addition, each Lender agrees to notify the Administrative Agent from time to time to ensure that the Administrative Agent has on record (i) an effective address, contact name, telephone number, telecopier number and electronic mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Lender. Furthermore, each Public Lender agrees to cause at least one individual at or on behalf of such Public Lender to at all times have selected the "Private Side Information" or similar designation on the content declaration screen of the Platform in order to enable such Public Lender or its delegate, in accordance with such Public Lender's compliance procedures and applicable Law, including United States Federal and state securities Laws, to make reference to Borrower Materials that are not made available through the "Public Side Information" portion of the Platform and that may contain material non-public information with respect to the Company or its securities for purposes of United States Federal or state securities laws.

(e) **Reliance by Administrative Agent, L/C Issuer and Lenders.** The Administrative Agent, the L/C Issuer and the Lenders shall be entitled to rely and act upon any notices (including telephonic Revolving Loan Notices purportedly given by or on behalf of any Borrower even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Borrowers shall indemnify the Administrative Agent, the L/C Issuer, each Lender and the Related Parties of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of any Borrower. All telephonic notices to and other telephonic communications with the Administrative Agent may be recorded by the Administrative Agent, and each of the parties hereto hereby consents to such recording.

### **10.03 No Waiver; Cumulative Remedies; Enforcement.**

(a) No failure by any Lender, the L/C Issuer or the Administrative Agent to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

(b) Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan Documents against the Loan Parties or any of them shall be vested exclusively in, and all actions

and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, the Administrative Agent in accordance with Section 8.02 for the benefit of all the Lenders and the L/C Issuer; provided, however, that the foregoing shall not prohibit (a) the Administrative Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as Administrative Agent) hereunder and under the other Loan Documents, (b) the L/C Issuer from exercising the rights and remedies that inure to its benefit (solely in its capacity as L/C Issuer hereunder and under the other Loan Documents, (c) any Lender from exercising setoff rights in accordance with Section 10.08 (subject to the terms of Section 2.12), or (d) any Lender from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to any Loan Party under any Debtor Relief Law; and provided, further, that if at any time there is no Person acting as Administrative Agent hereunder and under the other Loan Documents, then (i) the Required Lenders shall have the rights otherwise ascribed to the Administrative Agent pursuant to Section 8.02 and (ii) in addition to the matters set forth in clauses (b), (c) and (d) of the preceding proviso and subject to Section 2.12, any Lender may, with the consent of the Required Lenders, enforce any rights and remedies available to it and as authorized by the Required Lenders.

#### **10.04 Expenses; Indemnity; Damage Waiver.**

(a) **Costs and Expenses.** The Borrowers shall pay (i) all out-of-pocket expenses incurred by the Administrative Agent and the Syndication Agent and their Affiliates (including the reasonable fees, charges and disbursements of counsel for the Administrative Agent and the Syndication Agent), in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable out-of-pocket expenses incurred by the L/C Issuer in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all reasonable out-of-pocket expenses incurred by the Administrative Agent, the Syndication Agent, any Lender or the L/C Issuer (including the fees, charges, and disbursements of any counsel for the Administrative Agent, any Lender or the L/C Issuer) and shall pay all fees and time charges for attorneys who may be employees of the Administrative Agent, any Lender or the L/C Issuer, in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (B) in connection with the Loans made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b) **Indemnification by the Borrowers.** The Borrowers shall indemnify the Administrative Agent (and any sub-agent thereof), each Lender and the L/C Issuer, and each Related Party of any of the foregoing Persons (each such Person being called an “Indemnitee”) against, and hold each Indemnitee harmless from, any and all losses, costs (including settlement costs), claims, damages, liabilities and related expenses (including the fees, charges and disbursements of any counsel (including allocated costs of internal counsel) for any Indemnitee), and shall indemnify and hold harmless each Indemnitee from all fees and time charges and disbursements for attorneys who may be employees of any Indemnitee, incurred by any Indemnitee or asserted against any Indemnitee by any third party or by any Borrower or any

other Loan Party arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder, the consummation of the transactions contemplated hereby or thereby, or, the administration of this Agreement and the other Loan Documents (including in respect of any matters addressed in Section 3.01), (ii) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by the L/C Issuer to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by any Borrower or any of its Subsidiaries, or any Environmental Liability related in any way to any Borrower or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by any Loan Party, and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee.

(c) **Reimbursement by Lenders.** To the extent that the Borrowers for any reason fail to indefeasibly pay any amount required under subsection (a) or (b) of this Section to be paid by it to the Administrative Agent (or any sub-agent thereof), the L/C Issuer or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent), the L/C Issuer or such Related Party, as the case may be, such Lender’s Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount, provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent) or the L/C Issuer in its capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent) or L/C Issuer in connection with such capacity. The obligations of the Lenders under this subsection (c) are subject to the provisions of Section 2.11(d).

(d) **Waiver of Consequential Damages, Etc.** To the fullest extent permitted by applicable law, no Borrower shall assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive 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, the transactions contemplated hereby or thereby, any Loan or Letter of Credit or the use of the proceeds thereof. No Indemnitee referred to in subsection (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Indemnitee through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby other than for direct or actual damages resulting from the gross negligence or willful misconduct of such Indemnitee as determined by a final and nonappealable judgment of a court of competent jurisdiction.

(e) **Payments.** All amounts due under this Section shall be payable not later than ten Business Days after demand therefor.

(f) **Survival.** The agreements in this Section shall survive the resignation of the Administrative Agent and, the L/C Issuer, the replacement of any Lender, the termination of the Aggregate Commitments and the repayment, satisfaction or discharge of all the other Obligations.

**10.05 Payments Set Aside.** To the extent that any payment by or on behalf of any Borrower is made to the Administrative Agent, the L/C Issuer or any Lender, or the Administrative Agent, the L/C Issuer or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent, the L/C Issuer or such Lender in its discretion) to be repaid to a trustee, trustee in bankruptcy, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender and the L/C Issuer severally agrees to pay to the Administrative Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the applicable Overnight Rate from time to time in effect, in the applicable currency of such recovery or payment. The obligations of the Lenders and the L/C Issuer under clause (b) of the preceding sentence shall survive the payment in full of the Obligations and the termination of this Agreement.

#### **10.06 Successors and Assigns.**

(a) **Successors and Assigns Generally.** The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that no Borrower nor any other Loan Party may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of subsection (b) of this Section, (ii) by way of participation in accordance with the provisions of subsection (d) of this Section, (iii) by way of pledge or assignment of a security interest subject to the restrictions of subsection (f) of this Section, or (iv) to an SPC in accordance with the provisions of subsection (g) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in subsection (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the L/C Issuer and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) **Assignments by Lenders.** Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all

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or a portion of its Commitment and the Loans (including for purposes of this subsection (b) participations in L/C Obligations at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(i) **Minimum Amounts.**

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and the Loans at the time owing to it or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in subsection (b)(i)(A) of this Section, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment, determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date, shall not be less than Eur 100,000; provided, however, that concurrent assignments to members of an Assignee Group and concurrent assignments from members of an Assignee Group to a single Eligible Assignee (or to an Eligible Assignee and members of its Assignee Group) will be treated as a single assignment for purposes of determining whether such minimum amount has been met. EITHER (1) THE AMOUNT ASSIGNED BY ONE LENDER TO ANOTHER LENDER IN RELATION TO A LOAN TO ANY DUTCH BORROWER MUST BE AT LEAST EUR 100,000 (OR ITS EQUIVALENT IN ANY OTHER CURRENCY OR SUCH OTHER AMOUNT SPECIFIED FOR THIS PURPOSE UNDER OR FOR THE PURPOSES OF THE DUTCH FSA INCLUDING ANY REGULATIONS ISSUED PURSUANT THERETO OR (2) THE NEW LENDER IS A PROFESSIONAL MARKET PARTY WITHIN THE MEANING OF THE DUTCH FSA INCLUDING ANY REGULATIONS ISSUED PURSUANT THERETO.

(ii) **Proportionate Amounts.** Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loans or the Commitment assigned.

(iii) **Required Consents.** No consent shall be required for any assignment except to the extent required by subsection (b)(i)(B) of this Section and, in addition:

(A) the consent of the Company (such consent not to be unreasonably withheld or delayed) shall be required unless (1) an Event of Default has occurred and is continuing at the time of such assignment or (2) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund;

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(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required if such assignment is to a Person that is not a Lender; and

(C) the consent of the L/C Issuer (such consent not to be unreasonably withheld or delayed) shall be required for any assignment that increases the obligation of the assignee to participate in exposure under one or more Letters of Credit (whether or not then outstanding); and

(iv) **Assignment and Assumption.** The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee in the amount of \$3,500; provided, however, that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(v) **No Assignment to Company.** No such assignment shall be made to any Loan Party or any of a Loan Party's Affiliates or Subsidiaries.

(vi) **No Assignment to Natural Persons.** No such assignment shall be made to a natural person.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to subsection (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 3.01, 3.04, 3.05, and 10.04 with respect to facts and circumstances occurring prior to the effective date of such assignment. Upon request, each Borrower (at its expense) shall execute and deliver a Note to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection 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 subsection (d) of this Section.

(c) **Register.** The Administrative Agent, acting solely for this purpose as an agent of the Borrowers, shall maintain at the Administrative Agent's Office a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts of the Loans and L/C Obligations owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and the Borrowers, the Administrative 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

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Borrowers and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) **Participations.** Any Lender may at any time, without the consent of, or notice to, any Borrower or the Administrative Agent, sell participations to any Person (other than a natural person or the Company or any of the Company's Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans (including such Lender's participations in L/C Obligations owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrowers, the Administrative Agent, the Lenders and the L/C Issuer shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement.

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in the first proviso to Section 10.01 that affects such Participant. Subject to subsection (e) of this Section, each Borrower agrees that each Participant shall be entitled to the benefits of Sections 3.01, 3.04 and 3.05 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to subsection (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 10.08 as though it were a Lender, provided such Participant agrees to be subject to Section 2.12 as though it were a Lender.

(e) **Limitations upon Participant Rights.** A Participant shall not be entitled to receive any greater payment under Section 3.01 or 3.04 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Company's prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 3.01 unless the Company is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrowers, to comply with Section 3.01(e) as though it were a Lender.

(f) **Certain Pledges.** Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Note, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(g) **Special Purpose Funding Vehicles.** Notwithstanding anything to the contrary contained herein, any Lender (a "Granting Lender") may grant to a special purpose funding vehicle identified as such in writing from time to time by the Granting Lender to the Administrative Agent and the Company (an "SPC") the option to provide all or any part of any Revolving Loan that such Granting Lender would otherwise be obligated to make pursuant to

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this Agreement; provided that (i) nothing herein shall constitute a commitment by any SPC to fund any Revolving Loan, and (ii) if an SPC elects not to exercise such option or otherwise fails to make all or any part of such Revolving Loan, the Granting Lender shall be obligated to make such Revolving Loan

pursuant to the terms hereof or, if it fails to do so, to make such payment to the Administrative Agent as is required under Section 2.11(b)(ii). Each party hereto hereby agrees that (i) neither the grant to any SPC nor the exercise by any SPC of such option shall increase the costs or expenses or otherwise increase or change the obligations of the Borrowers under this Agreement (including its obligations under Section 3.04), (ii) no SPC shall be liable for any indemnity or similar payment obligation under this Agreement for which a Lender would be liable, and (iii) the Granting Lender shall for all purposes, including the approval of any amendment, waiver or other modification of any provision of any Loan Document, remain the lender of record hereunder. The making of a Revolving Loan by an SPC hereunder shall utilize the Commitment of the Granting Lender to the same extent, and as if, such Revolving Loan were made by such Granting Lender. In furtherance of the foregoing, each party hereto hereby agrees (which agreement shall survive the termination of this Agreement) that, prior to the date that is one year and one day after the payment in full of all outstanding commercial paper or other senior debt of any SPC, it will not institute against, or join any other Person in instituting against, such SPC any bankruptcy, reorganization, arrangement, insolvency, or liquidation proceeding under the laws of the United States or any State thereof. Notwithstanding anything to the contrary contained herein, any SPC may (i) with notice to, but without prior consent of the Company and the Administrative Agent and with the payment of a processing fee in the amount of \$3,500 (which processing fee may be waived by the Administrative Agent in its sole discretion), assign all or any portion of its right to receive payment with respect to any Revolving Loan to the Granting Lender and (ii) disclose on a confidential basis any non-public information relating to its funding of Revolving Loans to any rating agency, commercial paper dealer or provider of any surety or Guaranty or credit or liquidity enhancement to such SPC.

(h) **Resignation as L/C Issuer Assignment.** Notwithstanding anything to the contrary contained herein, if at any time Bank of America assigns all of its Commitment and Loans pursuant to subsection (b) above, Bank of America may, upon 30 days' notice to the Company and the Lenders, resign as L/C Issuer. In the event of any such resignation as L/C Issuer, the Company shall be entitled to appoint from among the Lenders a successor L/C Issuer hereunder; provided, however, that no failure by the Company to appoint any such successor shall affect the resignation of Bank of America as L/C Issuer, as the case may be. If Bank of America resigns as L/C Issuer, it shall retain all the rights, powers, privileges and duties of the L/C Issuer hereunder with respect to all Letters of Credit outstanding as of the effective date of its resignation as L/C Issuer and all L/C Obligations with respect thereto (including the right to require the Lenders to make Base Rate Revolving Loans or fund risk participations in Unreimbursed Amounts pursuant to Section 2.04(c)). Upon the appointment of a successor L/C Issuer (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring L/C Issuer, as the case may be, and (b) the successor L/C Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to Bank of America to effectively assume the obligations of Bank of America with respect to such Letters of Credit.

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#### 10.07 **Treatment of Certain Information; Confidentiality.**

(a) Each of the Administrative Agent, the Syndication Agent, the Lenders and the L/C Issuer agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its and its Affiliates' respective partners, directors, officers, employees, agents, trustees, advisors and representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority purporting to have jurisdiction over it, (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to a Borrower and its obligations, (g) with the consent of the Company or (h) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Administrative Agent, any Lender, the L/C Issuer or any of their respective Affiliates on a nonconfidential basis from a source other than the Company.

(b) For purposes of this Section, "Information" means all information received from the Borrowers or any Subsidiary relating to the Borrowers or any Subsidiary or any of their respective businesses, other than any such information that is available to the Administrative Agent, any Lender or the L/C Issuer on a nonconfidential basis prior to disclosure by the Company or any Subsidiary, provided that, in the case of information received from the Company or any Subsidiary after the Closing Date, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

(c) Each of the Administrative Agent, the Lenders and the L/C Issuer acknowledges that (a) the Information may include material non-public information concerning the Company or a Subsidiary, as the case may be, (b) it has developed compliance procedures regarding the use of material non-public information and (c) it will handle such material non-public information in accordance with applicable Law, including United States Federal and state securities Laws.

**10.08 Right of Setoff.** If an Event of Default shall have occurred and be continuing, each Lender, the L/C Issuer and each of their respective Affiliates is hereby authorized at any time and from time to time, after obtaining the prior written consent of the Administrative Agent, to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender, the L/C Issuer or any such Affiliate to or for the credit or the account of any Borrower or any other Loan Party against any

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and all of the obligations of such Borrower or such Loan Party now or hereafter existing under this Agreement or any other Loan Document to such Lender or the L/C Issuer, irrespective of whether or not such Lender or the L/C Issuer shall have made any demand under this Agreement or any other Loan Document and although such obligations of such Borrower or such Loan Party may be contingent or unmatured or are owed to a branch or office of such Lender or the L/C Issuer different from the branch or office holding such deposit or obligated on such indebtedness. The rights of each Lender, the L/C Issuer and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender, the L/C Issuer or their respective Affiliates may have. Each Lender and the L/C Issuer agrees to notify the Company and the Administrative Agent promptly after any such setoff and application, provided that the failure to give such notice shall not affect the validity of such setoff and application.

**10.09 Interest Rate Limitation.** Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable Law (the "Maximum Rate"). If the Administrative Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to the applicable Borrower. In determining whether the interest contracted for, charged, or received by the Administrative Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable Law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

**10.10 Counterparts; Integration.** 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. This Agreement and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Subject to Section 10.20, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or other electronic imaging means shall be effective as delivery of a manually executed counterpart of this Agreement.

**10.11 Survival of Representations and Warranties.** All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Administrative Agent and each Lender, regardless of any investigation made by the Administrative Agent or any Lender or on their behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default at the time of any Credit Extension, and shall continue in full force and effect as long as any Loan or

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any other Obligation hereunder shall remain unpaid or unsatisfied or any Letter of Credit shall remain outstanding.

**10.12 Severability.** If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

**10.13 Governing Law; Jurisdiction; Etc.**

(a) **GOVERNING LAW.** THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK INCLUDING THE PROVISIONS OF NEW YORK GENERAL OBLIGATIONS LAW SECTION 5-1401 AND 5-1402.

(b) **SUBMISSION TO JURISDICTION.** EACH BORROWER AND EACH OTHER LOAN PARTY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK SITTING IN ERIE COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE WESTERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE 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 IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT THE ADMINISTRATIVE AGENT, ANY LENDER OR THE L/C ISSUER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST ANY BORROWER OR ANY OTHER LOAN PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(c) **WAIVER OF VENUE.** EACH BORROWER AND EACH OTHER LOAN PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (B) OF

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THIS SECTION. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) **SERVICE OF PROCESS.** EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 10.02. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

**10.14 WAIVER OF JURY TRIAL.** EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR



OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

**10.15 No Advisory or Fiduciary Responsibility.** 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 Borrower and each other Loan Party acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (i) (A) the arranging and other services regarding this Agreement provided by the Administrative Agent, the Syndication Agent and the Arrangers are arm's-length commercial transactions between such Borrower, each other Loan Party and their respective Affiliates, on the one hand, and the Administrative Agent, the Syndication Agent and the Arrangers, on the other hand, (B) each of such Borrower and the other Loan Parties has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) such Borrower and each other Loan Party 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) the Administrative Agent, the Syndication Agent and the Arrangers each 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, any other Loan Party or any of their respective Affiliates, or any other Person and (B) neither the Administrative Agent, the Syndication Agent nor any Arranger has any obligation to such Borrower, any other Loan Party or any of their respective Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) the Administrative Agent, the Syndication Agent, the Arrangers and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of such

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Borrower, the other Loan Parties and their respective Affiliates, and neither the Administrative Agent, the Syndication Agent nor any Arranger has any obligation to disclose any of such interests to such Borrower, any other Loan Party or any of their respective Affiliates. To the fullest extent permitted by law, each of the Borrowers and the other Loan Parties hereby waives and releases any claims that it may have against the Administrative Agent, the Syndication Agent and the Arrangers with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

**10.16 USA PATRIOT Act.** Each Lender that is subject to the Act (as hereinafter defined) and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Borrowers that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies the Borrowers, which information includes the name and address of each Borrower and other information that will allow such Lender or the Administrative Agent, as applicable, to identify such Borrower in accordance with the Act. Each Borrower shall, promptly following a request by the Administrative Agent or any Lender, provide all documentation and other information that the Administrative Agent or such Lender requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the Act.

**10.17 Time of the Essence.** Time is of the essence of the Loan Documents; provided that this Section 10.17 shall not be construed to limit or deprive the Loan Parties of any grace periods set forth in any Loan Document.

**10.18 Electronic Execution of Assignments and Certain Other Documents.** The words "execution," "signed," "signature," and words of like import in any Assignment and Assumption or in any amendment or other modification hereof (including waivers and consents) 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, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

**10.19 Judgment Currency.** If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder or any other Loan Document in one currency into another currency, the rate of exchange used shall be that at which in accordance with normal banking procedures the Administrative Agent could purchase the first currency with such other currency on the Business Day preceding that on which final judgment is given. The obligation of each Borrower in respect of any such sum due from it to the Administrative Agent or any Lender hereunder or under the other Loan Documents shall, notwithstanding any judgment in a currency (the "Judgment Currency") other than that in which such sum is denominated in accordance with the applicable provisions of this Agreement (the "Agreement Currency"), be discharged only to the extent that on the Business Day following receipt by the Administrative Agent or such Lender, as the case may be, of any sum adjudged to be so due in the Judgment Currency, the Administrative Agent or such Lender, as the case may be, may in accordance with normal banking procedures purchase the Agreement Currency with the Judgment Currency. If

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the amount of the Agreement Currency so purchased is less than the sum originally due to the Administrative Agent or any Lender from any Borrower in the Agreement Currency, such Borrower agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Administrative Agent or such Lender, as the case may be, against such loss. If the amount of the Agreement Currency so purchased is greater than the sum originally due to the Administrative Agent or any Lender in such currency, the Administrative Agent or such Lender, as the case may be, agrees to return the amount of any excess to such Borrower (or to any other Person who may be entitled thereto under applicable law).

**10.20 Nature and Extent of Each Borrower's Liability.**

(a) Each Borrower shall be liable for, on a joint and several basis, and hereby guarantees the timely payment by all other Borrowers, of all Loans, fees and any other Obligations owing to or for the account of any one or more Lenders, regardless of which Borrower actually may have received the proceeds of any Loans or other extensions of credit hereunder or the amount of such Loans received or the manner in which the Administrative Agent or any Lender accounts for such Loans or other extensions of credit on its books and records. Each Borrower acknowledges and agrees that Loans to any Borrower and any other extensions of credit hereunder inure to the mutual benefit of all Borrowers and that the Administrative Agent and the Lenders are relying on the joint and several liability of the Borrowers in extending the Loans and other financial accommodations hereunder. Each Borrower hereby unconditionally and irrevocably agrees that upon default in the payment when due (whether at stated maturity, by acceleration or otherwise) of any principal of, or interest owed on, any of the Loans or other Obligations, such Borrower shall promptly pay the same, without notice or demand.

(b) Each Borrower's joint and several liability hereunder with respect to, and guaranty of, the Loans and other Obligations shall, to the fullest extent permitted by applicable Laws, be unconditional irrespective of (i) the validity, enforceability, avoidance or subordination of any part of the Obligations or of any promissory note or other document evidencing all or any part of the Obligations, (ii) the absence of any attempt to collect any of the Obligations from any other Borrower or any Collateral or other security therefor, or the absence of any other action to enforce the same, (iii) the waiver, consent, extension, forbearance or granting of any indulgence by the Administrative Agent or any Lender with respect to any provision of any instrument evidencing or securing the payment of any of the Obligations, or any other agreement now or hereafter executed by any other agreement now or hereafter executed by any other Borrower and delivered to the Administrative Agent or any Lender, (iv) the failure by the Administrative Agent to take any steps to perfect or maintain the perfected status of its security interest in or Lien upon, or to preserve its rights to, any of the Collateral or other security for the payment or performance of any of the Obligations or the Administrative Agent's release of any Collateral or of its Liens upon any Collateral, (v) the Administrative Agent's or any Lender's election, in any proceeding instituted under the Bankruptcy Code, for the application of Section 1111(b)(2) of the Bankruptcy Code, (vi) any borrowing or grant of a security interest by any other Borrower as debtor-in-possession under Section 364 of the Bankruptcy Code, (vii) the release or compromise, in whole or in part, of the liability of any Borrower for the payment of any of the Obligations, (viii) any amendment or modification of any of the Loan Documents or any waiver of a Default or Event of Default, (ix) any increase in the amount of the Obligations beyond any limits

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imposed herein or in the amount of any interest, fees or other charges payable in connection therewith, or any decrease in the same, (x) the disallowance of all or any portion of the Administrative Agent's or any Lender's claims against any other Borrower for the repayment of any of the Obligations under Section 502 of the Bankruptcy Code, or (xi) any other circumstance that might constitute a legal or equitable discharge or defense of any Borrower. After the occurrence and during the continuance of any Event of Default, the Administrative Agent may proceed directly and it once, without notice to any Borrower, against any or all of the Borrowers to collect and recover all or any part of the Obligations, without first proceeding against any other Borrower or against any Collateral or other security for the payment or performance of any of the Obligations, and each Borrower waives any provision under applicable Laws that might otherwise require the Administrative Agent to pursue or exhaust its remedies against any Collateral or any other Borrower before pursuing another Borrower. Each Borrower consents and agrees that the Administrative Agent shall be under no obligation to marshal any assets in favor of any Borrower or against or in payment of any or all of the Obligations.

(c) No payment or payments made by a Borrower or received or collected by the Administrative Agent from a Borrower or any other Person by virtue of any action or proceeding or any setoff or appropriation or application at any time or from time to time in reduction of or in payment of the Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of any Borrower under this Agreement, each of which shall remain jointly and severally liable for the payment and performance of all Loans and other Obligations until full payment of all Loans, fees and any other Obligations owing to or for the account of any one or more Lenders.

(d) Each Borrower hereby subordinates any claims, including any right of payment, subrogation, contribution and indemnity, that it may have from or against any other Borrower, and any successor or assign of any other Borrower, including any trustee, trustee in bankruptcy receiver or debtor-in-possession, howsoever arising, due or owing or whether heretofore, now or hereafter existing, to the payment in full of all Loans, fees and any other Obligations owing to or for the account of any one or more Lenders.

**10.21 Further Conditions to Disposals Over Certain Assets.** Notwithstanding any other provision in this Agreement to the contrary, the release of any security subject to a Security Document governed by Swedish law will always be subject to the prior written consent of the Administrative Agent in connection with any disposal of assets prior to the expiration of the Security Period (as defined in such Security Document), such consent to be granted at the Administrative Agent's sole discretion. Each Lender and the L/C Issuer authorizes the Administrative Agent to release such security in its discretion without notification of further reference to the Lenders or the L/C Issuer.

**10.22 Portuguese Limitations.** Notwithstanding anything to the contrary contained in the Loan Documents to which Globe LDA is a party, any guarantee, indemnity, obligation or liability of Globe LDA:

(a) shall not apply to the extent that it would result in such guarantee, indemnity, obligation or liability constituting unlawful financial assistance as per Article 322 of

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the Portuguese Companies Code (*Código das Sociedades Comerciais*) applicable to limited liability companies; and

(b) shall not be contrary to the principle according to which a company may not grant guarantee unless there is a justified self-interest or in case the beneficiary of said guarantee is in a group or domain relationship with such guarantor.

**10.23 Pledge Over Globe LDA's quotas.** Notwithstanding anything to the contrary contained in the Loan Documents, the pledge created over Globe LDA's quotas shall not secure, nor shall be purported to guarantee or secure, obligations and liabilities whenever the provision thereof would constitute unlawful financial assistance ("*assistência financeira*") under applicable provisions of Portuguese Law.

[Signature Pages Follow]

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

ALLIED MOTION TECHNOLOGIES INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ALLIED MOTION TECHNOLOGIES B.V.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[Signature Page to Allied Credit Agreement]

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**ADMINISTRATIVE AGENT:**

**BANK OF AMERICA, N.A., AS ADMINISTRATIVE AGENT**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[Signature Page to Allied Credit Agreement]

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**LENDERS:**

**BANK OF AMERICA, N.A., AS A LENDER AND L/C ISSUER**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[Signature Page to Allied Credit Agreement]

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**HSBC BANK USA, NATIONAL ASSOCIATION, AS A LENDER**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[Signature Page to Allied Credit Agreement]

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**[ADD SCHEDULES & EXHIBITS]**

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**ALLIED MOTION TECHNOLOGIES INC.**

**\$30,000,000**

**14.50% SENIOR SUBORDINATED NOTES DUE OCTOBER 18, 2019**

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**NOTE AGREEMENT**

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**Dated as of October 18, 2013**

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**ALLIED MOTION TECHNOLOGIES INC.**

455 Commerce Drive Suite 4  
Amherst, NY 14228

As of October 18, 2013

To Each of the Purchasers Named in the  
Purchaser Schedule Attached Hereto

Ladies and Gentlemen:

The undersigned, Allied Motion Technologies Inc., a Colorado corporation (herein called the “**Company**”), hereby agrees with the purchasers named in the Purchaser Schedule attached hereto (herein called the “**Purchasers**”) as set forth below. Reference is made to Article 11 hereof for definitions of capitalized terms used herein and not otherwise defined herein.

**1. AUTHORIZATION OF ISSUE OF SUBORDINATED NOTES.** The Company will authorize the issue of its senior subordinated promissory notes (the “**Subordinated Notes**”) in the aggregate principal amount of \$30,000,000, to be dated the date of issue thereof, to mature October 18, 2019, to bear interest on the unpaid balance thereof from the date thereof until the principal thereof shall have become due and payable at the rate of 14.50% per annum (provided that, during any period when an Event of Default shall be in existence, at the election of the Required Holder(s) the outstanding principal balance of the Subordinated Notes shall bear interest from and after the date of such Event of Default and until the date such Event of Default ceases to be in existence at the rate per annum from time to time equal to the Default Rate) and on overdue payments at the rate per annum from time to time equal to the Default Rate, and to be substantially in the form of Exhibit A attached hereto. The term “**Subordinated Notes**” as used herein shall include each such senior subordinated promissory note delivered pursuant to any provision of this Agreement and each such senior subordinated promissory note delivered in substitution or exchange for any other Subordinated Note pursuant to any such provision.

**2. PURCHASE AND SALE OF SUBORDINATED NOTES; PAYMENT IN KIND.**

**2A. Purchase and Sale of Subordinated Notes.** The Company hereby agrees to sell to each Purchaser and, subject to the terms and conditions herein set forth, each Purchaser agrees to purchase from the Company the aggregate principal amount of Subordinated Notes set forth opposite such Purchaser’s name in the Purchaser Schedule attached hereto at 100% of such aggregate principal amount. The Company will deliver to each Purchaser, at the offices of Schiff Hardin LLP at 233 South Wacker, Drive, Suite 6600, Chicago, IL 60606, one or more Subordinated Notes registered in such Purchaser’s name (or, if specified in the Purchaser Schedule, in the name of the nominee(s) for such Purchaser specified in the Purchaser Schedule),

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evidencing the aggregate principal amount of Subordinated Notes to be purchased by such Purchaser and in the denomination or denominations specified with respect to such Purchaser in the Purchaser Schedule against payment of the purchase price thereof by transfer of immediately available funds on the date of closing, which shall be October 18, 2013 or any other date on or before November 1, 2013 upon which the Company and the Purchasers may mutually agree (herein called the “**closing**” or the “**date of closing**”), for credit to the account or accounts as shall be specified in a letter on the Company’s letterhead, in substantially the form of Exhibit B attached hereto, from the Company to the Purchasers delivered prior to the date of closing.

**2B. Payment in Kind.** On each date on which any payment of interest is due on the Subordinated Notes (each such date an “**Interest Payment Date**”) the Company may elect to pay a portion of such interest payment due on the Subordinated Notes on such Interest Payment Date (other than any portion of such interest payment due with respect to any principal amount of the Subordinated Notes to be prepaid on such date, whether as a result of an optional prepayment pursuant to paragraph 4B, the maturity of the Subordinated Notes, the acceleration of the Subordinated Notes pursuant to paragraph 7A or otherwise) equal to the PIK Portion by adding the amount of the PIK Portion to the principal balance of the Subordinated Notes as of such Interest Payment Date instead of paying the PIK Portion in cash, and, if the Company so elects with respect to the PIK Portion of the interest payment due on any Interest Payment Date, then, on such Interest Payment Date, such PIK Portion shall be added to and treated as a portion of the outstanding principal balance of the Subordinated Notes for all purposes and thereafter accrue interest at the rate applicable to the Subordinated Notes. The “**PIK Portion**” of any such interest payment due on any such Interest Payment Date shall be equal to an amount of interest accrued on the outstanding principal amount of the Subordinated Notes (other than any principal amount of the Subordinated Notes to be prepaid on such Interest Payment Date, as aforesaid) since the immediately prior Interest Payment Date at the rate of 1.50% per annum. Unless the Company shall have notified the holders of the Subordinated Notes at least 5 Business Days prior to any Interest Payment Date that the Company will pay the PIK Portion of the interest payment due on the Subordinated Notes on such Interest Payment Date in cash, then the Company shall conclusively be deemed to have elected to pay all of such PIK Portion by adding the amount of such PIK Portion to the principal balance of the Subordinated Notes on such Interest Payment Date as provided above. Any election by the Company to pay any portion of the PIK Portion of the interest due on any Interest Payment Date shall apply pro rata to all outstanding Subordinated Notes pro rata in accordance with the outstanding principal amounts thereof. Any interest due on the Subordinated Notes on any date not constituting the PIK Portion, and any portion of the PIK Portion of the interest payment due on any Interest Payment Date that the Company has notified the holders of the Subordinated Notes as provided above that it will pay in cash, shall be paid in cash as provided in paragraph 12A.

**3. CONDITIONS OF CLOSING.** Each Purchaser’s obligation to purchase and pay for the Subordinated Notes to be purchased by such Purchaser hereunder is subject to the satisfaction, on or before the date of closing, of the following conditions:

**3A. Documents.** Such Purchaser shall have received original counterparts or, if satisfactory to such Purchaser, certified or other copies of all of the following, each duly executed and delivered by the party or parties thereto, in form and substance satisfactory to such Purchaser, dated the date of closing unless otherwise indicated, and, on the date of closing, in full

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force and effect with no event having occurred and being then continuing that would constitute a default thereunder or constitute or provide the basis for the termination thereof:

(i) the Subordinated Note or Subordinated Notes to be purchased by such Purchaser in the form of Exhibit A attached hereto;

(ii) a guaranty agreement executed by each Subsidiary Guarantor in existence on the date of the closing (after giving effect to the consummation of the acquisition in accordance with the Acquisition Agreement) in the form of Exhibit D hereto (herein, as the same may be amended, modified or supplemented from time to time in accordance with the provisions thereof, called the “**Subsidiary Guaranty**”);

(iii) a management rights letter from the Company in the form of Exhibit C hereto (herein, as the same may be amended, modified or supplemented from time to time in accordance with the provisions thereof, called the “**VCOC Letter**”);

(iv) a Secretary's Certificate signed by the Secretary or Assistant Secretary and one other officer of each Obligor certifying, among other things (a) as to the name, titles and true signatures of the officers of such Obligor authorized to sign the Transaction Documents to which such Obligor is a party and the other documents to be delivered by such Obligor in connection with this Agreement, (b) that attached thereto is a true, accurate and complete copy of the certificate of incorporation or other formation document of such Obligor, certified by the Secretary of State of the state of formation of such Obligor as of a recent date, (c) that attached thereto is a true, accurate and complete copy of the by-laws, operating agreement or other organizational document of such Obligor which were duly adopted and are in effect as of the date of closing and have been in effect immediately prior to and at all times since the adoption of the resolutions referred to in clause (d) below, (d) that attached thereto is a true, accurate and complete copy of the resolutions of the board of directors or other managing body of such Obligor, duly adopted at a meeting or by unanimous written consent of such board of directors or other managing body, authorizing the execution, delivery and performance of the Transaction Documents to which such Obligor is a party and the other documents to be delivered in connection with this Agreement (and, in the case of the Company, authorizing the transactions contemplated by the Acquisition Agreement), and that such resolutions have not been amended, modified, revoked or rescinded, are in full force and effect and are the only resolutions of the shareholders, partners or members of such Obligor or of such board of directors or other managing body or any committee thereof relating to the subject matter thereof, (e) that the Transaction Documents to which such Obligor is a party and the other documents executed and delivered to such Purchaser by such Obligor are in the form approved by its board of directors or other managing body in the resolutions referred to in clause (d), above, and (f) that no dissolution or liquidation proceedings as to such Obligor or any Subsidiary have been commenced or are contemplated;

(v) a certificate of corporate and tax good standing for each Obligor from the Secretary of State of the state of formation of such Obligor and of each state in which

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such Obligor is required to be qualified to transact business as a foreign organization, in each case dated as of a recent date;

(vi) the Subordination Agreement;

(vii) certified copies of Requests for Information or Copies (Form UCC-11) or equivalent reports listing all effective financing statements which name any Obligor (under its present name and previous names used) as debtor and which are filed in the office of the Secretary of State (or such other office which is, under the Uniform Commercial Code as in effect in the applicable jurisdiction, the proper office in which to file a financing statement under Section 9-501(a)(2) of such Uniform Commercial Code) of the location (as determined under the Uniform Commercial Code) of such Obligor, together with copies of such financing statements, and lien and judgment search reports from the county recorder of any county in which such Obligor maintains an office or in which any assets of such Obligor are located; and

(viii) such other certificates, documents and agreements as such Purchaser may reasonably request.

**3B. Opinion of Purchasers' Special Counsel.** Such Purchaser shall have received from Schiff Hardin LLP, who are acting as special counsel for the Purchasers in connection with this transaction, a favorable opinion satisfactory to such Purchaser as to such matters incident to the matters herein contemplated as it may reasonably request.

**3C. Opinion of Company's Counsel.** Such Purchaser shall have received from Jaeckle Fleischmann & Mugel, LLP, special New York counsel for the Obligors, a favorable opinion satisfactory to such Purchaser and substantially in the form of Exhibit E attached hereto, and the Company, by its execution hereof, hereby requests and authorizes such special counsel to render such opinions and to allow such Purchaser to rely on such opinion, and understands and agrees that each Purchaser receiving such an opinion will and is hereby authorized to rely on such opinion.

**3D. Representations and Warranties; No Default; Satisfaction of Conditions.** The representations and warranties contained in Article 8 and in the other Transaction Documents shall be true on and as of the date of closing, immediately after giving effect to the issuance of the Subordinated Notes on the date of closing and the consummation of any other transactions contemplated hereby and by the other Transaction Documents (including, without limitation, the borrowings under the Credit Agreement and the consummation of the acquisition under the Acquisition Agreement); there shall exist on the date of closing no Event of Default or Default, both before and immediately after giving effect to the issuance of the Subordinated Notes on the date of closing and the consummation of any other transactions contemplated hereby and by the other Transaction Documents (including, without limitation, the borrowings under the Credit Agreement and the consummation of the acquisition under the Acquisition Agreement); each Obligor shall have performed all agreements and satisfied all conditions required under this Agreement or the other Transaction Documents to be performed or satisfied by such Obligor on or before the date of closing; and each Obligor shall have delivered to such Purchaser an Officer's Certificate, dated the date of closing, to each such effect.

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**3E. Purchase Permitted By Applicable Laws; Approvals.** The purchase of and payment for the Subordinated Notes to be purchased by such Purchaser on the date of closing on the terms and conditions herein provided (including the use of the proceeds of such Subordinated Notes by the Company) shall not violate any applicable law or governmental regulation (including, without limitation, section 5 of the Securities Act or Regulation T, U or X of the FRB) and shall not subject such Purchaser to any tax, penalty, liability or other onerous condition under or pursuant to any applicable law or governmental regulation, and such Purchaser shall have received such certificates or other evidence as it may request to establish compliance with this condition. All necessary authorizations, consents, approvals, exceptions or other actions by or notices to or filings with any court or administrative or governmental body or other Person required in connection with the execution, delivery and performance of this Agreement, the Subordinated Notes and the other Transaction Documents or the consummation of the transactions contemplated hereby or thereby shall have been issued or made, shall be final and in full force and effect and shall be in form and substance satisfactory to such Purchaser.

**3F. Material Adverse Change.** No material adverse change in the business, condition (financial or otherwise), property, assets, operations or prospects of the Company and its Subsidiaries, taken as a whole, or the Target and its Subsidiaries, taken as a whole, in either case since December 31, 2012 shall have occurred or be threatened, as determined by such Purchaser in its sole judgment.

**3G. Credit Agreement.** The Credit Agreement, providing for a \$15,000,000 revolving credit facility to the Company and for a term loan to the Company in the aggregate principal amount of \$50,000,000 and having other terms and conditions satisfactory to such Purchaser, shall have been duly



executed and delivered by the Company and the Banks, and shall be in full force and effect. All conditions precedent to the making of the term loan and the initial revolving loans under the Credit Agreement shall have been satisfied except to the extent waived with the consent of such Purchaser (and, to the extent any part of any such condition requires that any matter be satisfactory to the Bank Agent, the Banks or any portion of the Banks, such matter shall be satisfactory to such Purchaser) and the Company shall have received the proceeds of the term loan and the initial revolving loans thereunder. All necessary authorizations, consents, approvals, exceptions or other actions by or notices to or filings with any court or administrative or governmental body or other Person required in connection with the execution, delivery or performance of the Credit Agreement or the consummation of the transactions contemplated thereby shall be final and in full force and effect and shall be in form and substance satisfactory to such Purchaser. Such Purchaser shall have received a copy of the Credit Agreement and all material instruments, documents and agreements delivered at the closing of the making of the term loans and the initial revolving loans thereunder, certified by an Officer's Certificate of the Company, dated the date of closing, as correct and complete.

**3H. Termination of Existing Credit Agreement.** All obligations of the Company and its Subsidiaries under and in connection with the credit agreement dated as of May 7, 2007 among the Company, Allied B.V., various lenders and JPMorgan Chase Bank, N.A., as administrative agent, shall have been discharged, such credit agreement shall have been terminated, all liens and security interests securing any of such obligations, and all financing statements or other filings and recordings relating thereto, shall have been (or immediately following the effectiveness hereof shall be) terminated and released, and such Purchaser shall

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have received such evidence as it may reasonably request to demonstrate the satisfaction of the foregoing. For the avoidance of doubt, this provision shall not require the termination of the credit facilities provided by JPMorgan Chase Bank (China) Company Limited, Shanghai Branch to Allied Motion (Changzhou) Motors Co., Ltd. and Allied Motion (Changzhou) Trading Co., Ltd.

**3I. Acquisition of the Target.** The Stock Purchase Agreement dated as of August 22, 2013 between the Company and the Seller (the "Acquisition Agreement") shall be in form and substance satisfactory to such Purchaser, shall have been duly executed and delivered by the parties thereto and shall be in full force and effect. All conditions precedent to the Company's obligations to acquire the Target thereunder shall have been satisfied except to the extent waived with the consent of such Purchaser (and, to the extent any part of any such condition requires that any matter be satisfactory to the Company, such matter shall be satisfactory to such Purchaser), and the Company shall have consummated the acquisition of the outstanding capital stock of the Target thereunder for aggregate consideration (excluding any working capital or cash adjustment and transaction fees & expenses) not to exceed \$90,000,000. All necessary authorizations, consents, approvals, exceptions or other actions by or notices to or filings with any court or administrative or governmental body or other Person required in connection with the execution, delivery or performance of the Acquisition Agreement or the consummation of the transactions contemplated thereby shall be final and in full force and effect and shall be in form and substance satisfactory to such Purchaser. Such Purchaser shall have received a copy of the Acquisition Agreement and all instruments, documents and agreements related thereto, certified by an Officer's Certificate of the Company, dated the date of closing, as correct and complete.

**3J. Fees and Expenses.** Without limiting the provisions of paragraph 12B hereof, the Company shall have paid the reasonable fees, charges and disbursements of (i) special counsel to the Purchasers referred to in paragraph 3B hereof, (ii) F2 Intelligence Group and (iii) Bober, Markey, Fedorovich & Company.

**3K. Structuring Fee.** In consideration of the time, effort and expense involved in the preparation and negotiation of this Agreement, the Company shall have paid to Lake Street Partners IV, L.P., by wire transfer of immediately available funds to JP Morgan Chase, New York, New York, ABA #021-000-021, for credit to the account of Lake Street Partners IV, L.P., account no. 802-978-874, a structuring fee in the amount of \$600,000 in immediately available funds.

**3L. Solvency Affidavit.** Such Purchaser shall have received an affidavit executed by the chief financial officer of the Company, in form and substance reasonably satisfactory to such Purchaser, to the effect that on and as of the date of closing, after consummation of the transactions contemplated by this Agreement and the other Transaction Documents, including the issuance of the Subordinated Notes and the incurrence of any Senior Debt on the date of closing, the use of the proceeds thereof and the consummation of the acquisition under the Acquisition Agreement, (i) the Company and its Subsidiaries on a consolidated basis will be Solvent and (ii) the Total Leverage Ratio shall not exceed 3.90 to 1.0 on a pro forma basis.

**3M. Proceedings.** All corporate and other proceedings taken or to be taken in connection with the transactions contemplated hereby and all documents incident thereto shall be

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satisfactory in substance and form to such Purchaser, and such Purchaser shall have received all such counterpart originals or certified or other copies of such documents as it may reasonably request.

**4. PREPAYMENTS.** The Subordinated Notes shall be subject to prepayment only with respect to the optional prepayments permitted by paragraph 4B and upon acceleration pursuant to paragraph 7A.

**4A. Repayment at Maturity.** The outstanding principal amount of the Subordinated Notes, together with any accrued and unpaid interest thereon, shall become due on October 18, 2019.

**4B. Optional Prepayment.** Prior to October 18, 2016, the Subordinated Notes shall not be subject to prepayment at the option of the Company in whole or in part. Thereafter, the Subordinated Notes shall be subject to prepayment in whole at any time or from time to time in part (in integral multiples of \$1,000,000), at the option of the Company, at 100% of the principal amount so prepaid plus interest thereon to the prepayment date.

**4C. Notice of Optional Prepayment.** The Company shall give the holder of each Subordinated Note irrevocable written notice of any prepayment pursuant to paragraph 4B not less than five Business Days prior to the prepayment date (which shall be a Business Day), specifying such prepayment date and the aggregate principal amount of the Subordinated Notes, and of the Subordinated Notes held by such holder, to be prepaid on such date and stating that such prepayment is to be made pursuant to paragraph 4B. Notice of prepayment having been given as aforesaid, the principal amount of the Subordinated Notes specified in such notice, together with interest thereon to the prepayment date, shall become due and payable on such prepayment

date. The Company shall, on or before the day on which it gives written notice of any prepayment pursuant to paragraph 4B, give telephonic notice of the principal amount of the Subordinated Notes to be prepaid and the prepayment date to each Significant Holder which shall have designated a recipient of such notices in the Purchaser Schedule attached hereto or by notice in writing to the Company.

**4D. Partial Payments Pro Rata.** In the case of each prepayment of less than the entire outstanding principal amount of all Subordinated Notes pursuant to paragraph 4B, the principal amount so prepaid shall be allocated pro rata to all Subordinated Notes at the time outstanding.

**4E. No Acquisition of Subordinated Notes.** The Company shall not, and shall not permit any of its Subsidiaries or Affiliates to, prepay or otherwise retire in whole or in part prior to their stated final maturity (other than by prepayment pursuant to paragraph 4B or upon acceleration of such final maturity pursuant to paragraph 7A), or purchase or otherwise acquire, directly or indirectly, Subordinated Notes held by any holder unless the Company or such Subsidiary or Affiliate shall have offered to prepay or otherwise retire or purchase or otherwise acquire, as the case may be, the same proportion of the aggregate principal amount of Subordinated Notes held by each other holder of Subordinated Notes at the time outstanding upon the same terms and conditions. Any Subordinated Notes so prepaid or otherwise retired or

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purchased or otherwise acquired by the Company or any of its Subsidiaries or Affiliates shall not be deemed to be outstanding for any purpose under this Agreement.

**5. AFFIRMATIVE COVENANTS.** So long as any Subordinated Note or any obligation of any Obligor under any Transaction Document remains outstanding:

**5A. Financial Statements and other Information.** The Company covenants that it will deliver to each Significant Holder:

(i) as soon as practicable and in any event within 45 days after the end of each quarterly period (other than the last quarterly period) in each fiscal year, consolidating and consolidated statements of income, stockholders' equity and cash flows of the Company and its Subsidiaries for the period from the beginning of the current fiscal year to the end of such quarterly period, and a consolidating and consolidated balance sheet of the Company and its Subsidiaries as at the end of such quarterly period, setting forth in each case in comparative form figures for the corresponding period in the preceding fiscal year, all in reasonable detail and prepared in accordance with GAAP applicable to quarterly financial statements and certified by an authorized financial officer of the Company as fairly presenting, in all material respects, the financial position of the Company and its Subsidiaries and their results of operations and cash flows, subject to changes resulting from year-end adjustments; provided, however, that delivery within the time period specified above pursuant to clause (iii) below of copies of the Quarterly Report on Form 10-Q of the Company for such quarterly period (including all financial statement exhibits and all financial statements incorporated by reference therein) prepared in compliance with the requirements therefor and filed with the Securities and Exchange Commission shall be deemed to satisfy the requirements of this clause (i) with respect to the consolidated statements;

(ii) as soon as practicable and in any event within 120 days after the end of each fiscal year, consolidating and consolidated statements of income and cash flows and a consolidated statement of stockholders' equity of the Company and its Subsidiaries for such year, and a consolidating and consolidated balance sheet of the Company and its Subsidiaries as at the end of such year, setting forth in each case in comparative form corresponding consolidated figures from the preceding annual audit, all in reasonable detail and prepared in accordance with GAAP and, as to the consolidated statements, accompanied by an opinion thereon of independent public accountants of recognized national standing selected by the Company and acceptable to the Required Holder(s), which opinion shall state that such financial statements present fairly, in all material respects, the financial position of the Company and its Subsidiaries and the results of their operations and cash flows and have been prepared in accordance with GAAP, that the examination of such accountants in connection with such financial statements has been made in accordance with generally accepted auditing standards, and that such audit provides a reasonable basis for such opinion in such circumstances, and shall not be subject to any "going concern" or like qualification or exception or any qualification as to the scope of the audit and, as to the consolidating statements, certified by an authorized financial officer of the Company; provided, however, that delivery within the time period specified above pursuant to clause (iii) below of copies of the Annual Report on Form

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10-K of the Company for such fiscal year (including all financial statement exhibits and all financial statements incorporated by reference therein) prepared in compliance with the requirements therefor and filed with the Securities and Exchange Commission shall be deemed to satisfy the requirements of this clause (ii) with respect to the consolidated statements;

(iii) promptly upon transmission thereof, copies of all such financial statements, proxy statements, notices and reports as it shall send to its public stockholders and copies of all registration statements (without exhibits) and all reports which it files with the Securities and Exchange Commission (or any governmental body or agency succeeding to the functions of the Securities and Exchange Commission);

(iv) promptly upon receipt thereof, copies of any detailed audit reports, management letters or recommendations submitted to the Company or any Subsidiary by independent accountants in connection with the accounts or books of the Company or any Subsidiary, or any audit of any of them;

(v) promptly upon, and in any event not later than the next Business Day after receipt thereof, a copy of any notice received from the Bank Agent or any holder of Senior Debt that any default or event of default under the Credit Agreement or any Refinancing Agreement has occurred or any notice of any acceleration of any Senior Debt;

(vi) within 75 days after the date of closing, a true, correct and complete copy of the closing date inventory count and purchase price adjustment calculation in connection with the Acquisition;

(vii) simultaneously with the transmission thereof, copies of all notices, reports, financial statements or other communications given to the Bank Agent or any holder of Senior Debt under the Credit Agreement or any Refinancing Agreement, excluding routine borrowing requests;

(viii) as soon as available, but in any event within 60 days after the end of each of the Company's fiscal years, monthly projections for the next succeeding fiscal year, on a consolidated and consolidating basis, including a balance sheet as at the end of each relevant period and income statements and statements of cash flows for each relevant period and for the period commencing at the beginning of the fiscal year and ending on the last day of such relevant period, all in form and substance satisfactory to the Required Holder(s);

(ix) within ten days following the date on which the Company's auditors resign or the Company elects to change auditors, as the case may be, notification thereof, together with such supporting information as the Required Holder(s) may reasonably request;

(x) promptly, notice of: (a) any matter that has resulted or could reasonably be expected to result in a Material Adverse Effect, including (1) breach or non-performance of, or any default under, a Contractual Obligation of any Group Member, (2) any dispute,

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litigation, investigation, proceeding or suspension between any Group Member and any Governmental Authority that would reasonably be expected to have a Material Adverse Effect or (3) the commencement of, or any material development in, any litigation or proceeding affecting any Group Member, including pursuant to any applicable Environmental Law, that would reasonably be expected to have a Material Adverse Effect; (b) the occurrence of any ERISA Event; and (c) any material change in accounting policies or financial reporting practices by any Group Member; and

(xi) with reasonable promptness, such other information as such Significant Holder may reasonably request.

Together with each delivery of financial statements required by clauses (i) and (ii) above, the Company will deliver to each Significant Holder an Officer's Certificate demonstrating (with computations in reasonable detail) compliance by the Company and its Subsidiaries with the provisions of paragraphs 6I and 6K and stating that there exists no Event of Default or Default, or, if any Event of Default or Default exists, specifying the nature and period of existence thereof and what action the Company proposes to take with respect thereto. In the event that the Company or any Subsidiary has made an election to measure any financial liability using fair value (which election is being disregarded for purposes of determining compliance with this Agreement pursuant to paragraph 11C) as to the period covered by any such financial statement, such Officer's Certificate as to such period shall include a reconciliation from GAAP with respect to such election. Together with each delivery of financial statements required by clause (ii) above, the Company will deliver to each Significant Holder a certificate of such accountants stating that, in making the audit necessary for their report on such financial statements, they have obtained no knowledge of any Event of Default or Default, or, if they have obtained knowledge of any Event of Default or Default, specifying the nature and period of existence thereof. The Company also covenants that immediately after any Responsible Officer obtains knowledge of an Event of Default or Default, it will deliver to each Significant Holder an Officer's Certificate specifying the nature and period of existence thereof and what action the Company proposes to take with respect thereto.

**5B. Information Required by Rule 144A.** The Company covenants that it will, upon the request of the holder of any Subordinated Note, provide such holder, and any qualified institutional buyer designated by such holder, such financial and other information as such holder may reasonably determine to be necessary in order to permit compliance with the information requirements of Rule 144A under the Securities Act in connection with the resale of Subordinated Notes, except at such times as the Company is subject to and in compliance with the reporting requirements of section 13 or 15(d) of the Exchange Act. For the purpose of this paragraph 5B, the term "qualified institutional buyer" shall have the meaning specified in Rule 144A under the Securities Act.

**5C. Inspection of Property.** The Company covenants that it will permit any Person designated by any Significant Holder in writing, at such Significant Holder's expense if no Default or Event of Default exists and at the Company's expense if a Default or an Event of Default exists, to visit and inspect any of the properties of the Company and its Subsidiaries, to examine the books and financial records of the Company and its Subsidiaries and make copies thereof or extracts therefrom and to discuss the affairs, finances and accounts of any of such

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corporations with the principal officers of the Company and its independent public accountants (and by this provision the Company authorizes said accountants to discuss the affairs, finances and accounts of the Company and its Subsidiaries with any such Person), all at such reasonable times during normal business hours and as often as such Significant Holder may reasonably request; provided that such Significant Holder shall use reasonable efforts not to disrupt the business operations of the Company and its Subsidiaries.

**5D. [RESERVED].**

**5E. Compliance with Law.** The Company covenants that it will, and will cause each of its Subsidiaries to, comply with all laws, ordinances or governmental rules or regulations to which each of them is subject, including, without limitation, Environmental Laws, the USA PATRIOT Act and the other laws and regulations that are referred to in paragraph 8Q, and will obtain and maintain in full force and effect all licenses, certificates, permits, franchises, operating rights and other authorizations from federal, state, foreign, regional, municipal and other local regulatory bodies or administrative agencies or governmental bodies having jurisdiction over the Company and its Subsidiaries or any of their respective properties, products or services necessary to the ownership, operating or maintenance of their respective properties or to the conduct of their respective businesses, in each case to the extent necessary to ensure that non-compliance with such laws, ordinances or governmental rules or regulations or failures to obtain or maintain in full force and effect such licenses, certificates, permits, franchises, operating rights and other authorizations could not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

**5F. Maintenance of Insurance.** The Company covenants that it will, and will cause each of its Subsidiaries to, maintain, with financially sound and reputable insurers, insurance with respect to their respective properties and businesses against such casualties and contingencies, of such types, on such terms and in such amounts as is customary in the case of entities of established reputations engaged in the same or a similar business and similarly situated.

**5G. Maintenance of Properties.** The Company covenants that it will, and will cause each of its Subsidiaries to, maintain and keep, or cause to be maintained and kept, their respective properties in good repair, working order and condition (other than ordinary wear and tear), and from time to time

make, or cause to be made, all needful and proper repairs, renewals and replacements thereto, so that the business carried on in connection therewith may be properly conducted at all times, provided that this paragraph 5G shall not prevent the Company or any Subsidiary from discontinuing the operation and the maintenance of any of its properties if such discontinuance is desirable in the conduct of its business and such discontinuance could not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

**5H. Payment of Obligations.** The Company covenants that it will, and will cause each of its Subsidiaries to, pay and discharge as the same shall become due and payable, all its obligations and liabilities, including (i) tax liabilities, assessments and governmental charges or levies upon it or its properties or assets, unless the same are being contested in good faith by appropriate proceedings diligently conducted and adequate reserves in accordance with GAAP are being maintained by the Company or such Subsidiary; (ii) lawful claims which, if unpaid,

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would by law become a Lien upon its property; and (iii) Indebtedness, as and when due and payable, but subject to any subordination provisions contained in any instrument or agreement evidencing such Indebtedness.

**5I. Corporate Existence.** The Company covenants that it will at all times preserve and keep its corporate existence in full force and effect. Except as otherwise permitted by paragraph 6D, the Company will at all times preserve and keep in full force and effect the corporate, limited liability company or partnership, as the case may be, existence of each of its Subsidiaries. The Company will at all times be treated as a corporation for United States income tax purposes.

**5J. Agreement Assuming Liability on Subordinated Notes; Additional Subsidiary Guarantors.**

(i) The Company covenants that, if at any time any Person (other than a Foreign Subsidiary unless such Foreign Subsidiary Guaranties in any manner the obligations of the Company or any Domestic Subsidiary under the Credit Agreement or any Refinancing Agreement) should become liable (as borrower, co-obligor, endorser, guarantor or surety) on the Senior Debt, the Company will, at the same time, cause such Person to deliver to the holders of the Subordinated Notes a joinder to the Subsidiary Guaranty in form and substance satisfactory to the Required Holder(s). Each such joinder shall be accompanied by a certificate of the Secretary or Assistant Secretary of such Person certifying such Person's charter and by-laws (or comparable governing documents), resolutions of the board of directors (or comparable governing body) of such Person authorizing the execution and delivery of such joinder, incumbency and specimen signatures of the officers of such Person executing such documents and a legal opinion of counsel to such Person in form and substance satisfactory to the Required Holder(s). The delivery of such an agreement shall not in any way limit or modify the rights of the holders of the Subordinated Notes to enforce paragraph 6C or any other applicable provision of this Agreement.

(ii) The Company covenants that if at any time any Person which is not a Subsidiary as of the date hereof (subject to paragraph 5J(i), other than a Person organized or incorporated under the laws of a jurisdiction other than the United States of America or a State or other jurisdiction therein (a "**Foreign Subsidiary**") unless such Foreign Subsidiary Guaranties in any manner the obligations of the Company or any Domestic Subsidiary under the Credit Agreement or any Refinancing Agreement), shall become a Subsidiary, the Company will cause such Subsidiary to execute and deliver to the holders of the Subordinated Notes a joinder to the Subsidiary Guaranty in form and substance satisfactory to the Required Holder(s). Each such joinder shall be accompanied by a certificate of the Secretary or Assistant Secretary of such Person certifying such Person's charter and by-laws (or comparable governing documents), resolutions of the board of directors (or comparable governing body) of such Person authorizing the execution and delivery of such joinder, incumbency and specimen signatures of the officers of such Person executing such documents and a legal opinion of counsel to such Person in form and substance satisfactory to the Required Holder(s). The delivery of such an agreement shall not in any way limit or modify the rights of the holders of the Subordinated Notes to enforce paragraph 6C or any other applicable provision of this Agreement.

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**5K. Board Observation Rights.** So long as Prudential Capital Partners IV, L.P. (or any Affiliate thereof) shall hold any Subordinated Note, Prudential Capital Partners IV, L.P. shall have the right to appoint an observer (the "**Observer**") to the board of directors (and each executive, special or other committee thereof) of the Company and each Subsidiary (each a "**Board**"). Each Observer shall (i) receive notice of all meetings (both regular and special) of each Board (such notice to be delivered at the same time as notice is given to the members of such Board); (ii) be entitled to attend (or, in the case of telephone meetings, monitor) all such meetings of each Board; (iii) receive all notices, information and reports which are furnished to the members of each Board at the same time and in the same manner as the same is furnished to such members; and (iv) receive as soon as available copies of the minutes of all such meetings of each Board. If any action is proposed to be taken by written consent in lieu of a meeting of a Board, the Company will furnish or cause to be furnished to each Observer with a signed copy of each such written consent not later than ten days after it has been signed by its last signatory; provided, that failure to so provide such written consent shall not affect the validity of any action to be taken by such written consent. No Observer shall constitute a member of any Board and shall not be entitled to vote on any matters presented at meetings of any Board or to consent to any matter as to which the consent of any Board has been requested.

**5L. Books and Records.** The Company covenants that it will, and will cause each of its Subsidiaries to, (i) maintain proper books of record and account, in which full, true and correct entries in conformity with GAAP consistently applied shall be made of all financial transactions and matters involving the assets and business of the Group Members; and (ii) maintain such books of record and account in material conformity with all applicable requirements of any Governmental Authority having regulatory jurisdiction over the Company or such Subsidiary, as the case may be.

**6. NEGATIVE COVENANTS.** So long as any Subordinated Note or any obligation of any Obligor under any Transaction Document remains outstanding:

**6A. Liens.** The Company covenants that it will not, and will not permit any Subsidiary to, directly or indirectly, create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired, other than the following:

(i) Liens existing on the date hereof and described on Schedule 6A;

(ii) Liens for taxes not yet due or which are being contested in good faith and by appropriate proceedings diligently conducted, if adequate reserves with respect thereto are maintained on the books of the applicable Person in accordance with GAAP;

(iii) Liens against any Group Member arising in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security, or to secure the performance of tenders, statutory obligations, surety and appeal 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 other Indebtedness), so long as no foreclosure, sale or similar proceedings have been commenced with respect to any portion of the property of the applicable Person on account thereof; easements,

rights-of-way, restrictions and other similar encumbrances affecting real property which, in the aggregate, are not substantial in amount, and which do not in any case materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business of the applicable Person;

(iv) any security interest or set-off arrangements entered into by the Company or any of its Subsidiaries in the ordinary course of its banking arrangements which arise under clauses 24 or 25 (or corresponding provisions if amended) respectively of the general terms and conditions (*algemene bankvoorwaarden*) of any member of the Dutch Bankers' Association (*Nederlandse Vereniging van Banken*) or customary title retention arising in connection with the purchase of goods in the ordinary course of business;

(v) purported Liens evidenced by the filing of precautionary Uniform Commercial Code financing statements relating solely to operating leases of personal property entered into in the ordinary course of business;

(vi) any security interest in a capital or fixed asset that secures Indebtedness incurred for the purpose of acquiring such asset and which is permitted by paragraph 6C;

(vii) Liens securing Indebtedness permitted by paragraph 6C(iv);

(vii) preemptive rights set out in the Organizational Documents of any Group Member on the date hereof; *provided* that in the case of Allied Motion Stockholm AB, the preemptive rights (*Sw. hembudsförbehåll*) shall be removed from its articles of association within 30 days following the date of closing; and

(viii) Liens securing Indebtedness permitted by paragraph 6C(ix).

**6B. Investments.** The Company covenants that it will not, and will not permit any Subsidiary to, directly or indirectly, make or permit to exist any Investment, except:

(i) Investments held by the Company in the form of cash equivalents or short-term marketable debt securities;

(ii) Investments of the Company and/or its Subsidiaries existing on the date hereof and described on Schedule 6B;

(iii) advances to officers, directors and employees of the Company and its Subsidiaries in an aggregate amount not to exceed \$100,000 at any time outstanding, for travel, entertainment, relocation and analogous ordinary business purposes; and

(iv) Investments that are part of the Company's supplemental executive compensation plan or the Company's deferred compensation plan.

**6C. Indebtedness.** The Company covenants that it will not, and will not permit any Subsidiary to, directly or indirectly, create, incur, assume or suffer to exist any Indebtedness, except:

(i) Indebtedness under the Subordinated Notes;

(ii) Indebtedness outstanding on the date hereof and described on Schedule 6C hereof and any refinancing, refundings, renewals or extensions thereof so long as the principal amount of such Indebtedness is not increased;

(iii) obligations (contingent or otherwise) of the Company or any Subsidiary existing or arising under any Swap Contract, provided that (a) such obligations are (or were) entered into by such Person in the ordinary course of business for the purpose of directly mitigating risks associated with liabilities, commitments, investments, assets, or property held or reasonably anticipated by such Person, or changes in the value of securities issued by such Person, and not for purposes of speculation or taking a "market view;" and (b) such Swap Contract does not contain any provision exonerating the non-defaulting party from its obligation to make payments on outstanding transactions to the defaulting party;

(iv) Indebtedness under the Credit Agreement (including any China Senior Credit Facility (as defined in the Subordination Agreement)) and any Refinancing Debt in an aggregate outstanding amount not to exceed at any time the Maximum Senior Indebtedness Amount (as defined in the Subordination Agreement);

(v) any Indebtedness owing by one Group Member to another Group Member; provided that the amount of Indebtedness owing from the Company and Domestic Subsidiaries to Foreign Subsidiaries (other than Allied B.V.) shall not at any time exceed \$5,000,000 (or its equivalent in other applicable currencies) in the aggregate;

(vi) any Indebtedness incurred by a Group Member to finance the acquisition, construction or improvement of a capital or fixed asset that constitutes a capital expenditure permitted by this Agreement;

(vii) any Indebtedness that arises from a change in the classification of an operating lease obligation to a Capital Lease Obligation resulting from a change in GAAP;

(viii) Indebtedness of Globe LDA pursuant to a mortgage loan secured by Globe LDA's real property located at 300 Rua Da Longa, Modivas, Vila De Conde, Portugal; and

(ix) Indebtedness of Allied Motion (Changzhou) Motors Co., Ltd. and/or Allied Motion (Changzhou) Trading Co., Ltd. under credit facilities provided by JPMorgan Chase Bank (China) Company Limited, Shanghai Branch, in an aggregate outstanding amount not to exceed 9,500,000 Chinese Renminbi at any time.

**6D. Fundamental Changes.** The Company covenants that it will not, and will not permit any Subsidiary to, directly or indirectly, merge, dissolve, liquidate, consolidate with or into another Person, or Dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to or in favor of any Person, except that, so long as no Default or Event of Default exists or would result therefrom:

(i) any Group Member may merge with another Group Member, provided that (a) if such merger involves the Company, the Company shall be the continuing or surviving Person,

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and (b) if such merger involves another Obligor, (1) an Obligor shall be the continuing or surviving Person or (2) the continuing or surviving Person shall, concurrently with the effectiveness of such merger, become an Obligor;

(ii) any Group Member may Dispose of all or substantially all of its assets (upon voluntary liquidation or otherwise) to another Group Member; provided that (a) if such transaction involves the Company, the Company shall be the transferee, and (b) if the transferor in such transaction is a Domestic Subsidiary, the transferee shall be an Obligor;

(iii) Globe Inc. may distribute or transfer all of the outstanding Equity Interests of Globe LDA and Globe Motors de Mexico SA de CV held by it to the Company, and the Company may contribute such Equity Interests to Allied B.V.; and

(iv) Globe LDA may convert to a public limited liability company.

**6E. Dispositions.** The Company covenants that it will not, and will not permit any Subsidiary to, directly or indirectly, make any Disposition or enter into any agreement to make any Disposition, except:

(i) Dispositions of obsolete or worn out property in the ordinary course of business;

(ii) Dispositions of inventory in the ordinary course of business;

(iii) Dispositions of equipment or real property to the extent that (a) such property is exchanged for credit against the purchase price of similar replacement property or (b) the proceeds of such Disposition are reasonably promptly applied to the purchase price of such replacement property;

(iv) Dispositions of property by any Group Member to another Group Member; provided that if such Disposition involves an Obligor, the transferee shall be an Obligor;

(v) Dispositions permitted by paragraph 6D; and

(vi) Dispositions of property not used or useful in the business of the Company or any of its Subsidiaries;

provided, however, that any Disposition pursuant to clauses (i) through (vi) shall be for fair market value.

**6F. Change in Nature of Business.** The Company covenants that it will not, and will not permit any Subsidiary to, directly or indirectly, engage in any material line of business substantially different from those lines of business conducted by the Company and its Subsidiaries on the date of closing or any business substantially related or incidental thereto.

**6G. Transactions with Affiliates.** The Company covenants that it will not, and will not permit any Subsidiary to, directly or indirectly, except as described in Schedule 6G, enter into any transaction of any kind with any Affiliate of the Company, whether or not in the ordinary course of business, other than on fair and reasonable terms substantially as favorable to

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the applicable Group Member as would be obtainable by the applicable Group Member at the time in a comparable arm's length transaction with a Person other than an Affiliate.

**6H. Burdensome Agreements.** The Company covenants that it will not, and will not permit any Subsidiary to, directly or indirectly, except as described on Schedule 6H, enter into any Contractual Obligation (other than this Agreement, the other Transaction Documents, the Credit Agreement, the other Loan Documents (as defined in the Credit Agreement) or a Refinancing Agreement) that limits the ability (i) of any Subsidiary to make Restricted Payments to the Company or any other Group Member or to otherwise transfer property to the Company or any other Group Member, (ii) of any Subsidiary to Guaranty the Indebtedness of the Company or any other Group Member or (iii) of any Group Member to create, incur, assume or suffer to exist Liens on property of such Person, except for a customary restriction on granting a Lien on property that is imposed under the documents pursuant to which a Group Member financed such property (provided such Indebtedness is permitted under paragraph 6C).

**6I. Financial Covenants.**

(i) The Company covenants that it will not permit the Fixed Charge Coverage Ratio as at the end of any fiscal quarter to be less than 1.05:1.0.

(ii) The Company covenants that it will not permit the Total Leverage Ratio, as of the end of any fiscal quarter to be greater than (a) for the fiscal quarters ending on or about December 31, 2013, March 31, 2014, June 30, 2014 and September 30, 2014, 4.50:1.0, (b) for the fiscal quarters ending on or about December 31, 2014, March 31, 2015, June 30, 2015 and September 30, 2015, 3.50:1.0, (c) for the fiscal quarters ending on or about December 31, 2015, March 31, 2016, June 30, 2016 and September 30, 2016, 3.0 to 1.0 or (d) for each fiscal quarter thereafter, 2.75:1.0.

**6J. Sale-Leaseback Transactions.** The Company covenants that it will not, and will not permit any Subsidiary to, directly or indirectly, enter into any arrangements with any Person whereby such Person shall sell or transfer (or request another Person to purchase) any property, real, personal or mixed, used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property from any Person.

**6K. Capital Expenditures.** The Company covenants that it will not, and will not permit any Subsidiary to, directly or indirectly, make or become legally obligated to make any expenditure in respect of the purchase or other acquisition of any fixed or capital asset, except for (i) capital expenditures not to exceed €500,000 in the aggregate in connection with the construction of a new facility in The Netherlands to be leased by Allied B.V. and (ii) capital expenditures in the ordinary course of business not exceeding, in the aggregate for the Group Members and their Subsidiaries, the amount set forth below during the applicable fiscal year set forth below:

<u>Fiscal Year Ending</u>	<u>Maximum Amount</u>
December 31, 2013	\$ 5,400,000
December 31, 2014	\$ 6,400,000
December 31, 2015 and thereafter	\$ 7,000,000

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**6L. Fiscal Period.** The Company covenants that it will not change its fiscal year or fiscal quarter accounting periods from those in effect for the fiscal year ended December 31, 2012.

**6M. Amendments to Credit Agreement and Certain other Documents.** The Company covenants that it will not, and will not permit any Subsidiary to, (i) enter into any amendment or modification of, or waive, or consent to any waiver of, any of the provisions of, the Credit Agreement (or a Refinancing Agreement in respect thereof), except to the extent permitted by the Subordination Agreement, or (ii) consent to any amendment or modification of or supplement to any of the provisions of any documents or agreements evidencing other existing Indebtedness set forth on Schedule 6C in such manner as would have a material adverse impact on the interests of the holders of the Subordinated Notes.

**6N. Limitation on Issuance of Other Subordinated Indebtedness Senior to the Subordinated Notes.** The Company covenants that it will not create, incur, assume, permit to exist, Guarantee, or in any other manner become liable with respect to any Indebtedness, other than the Subordinated Notes, that is contractually subordinate in right of payment to any Senior Debt unless such Indebtedness is otherwise permitted by the terms hereof and is Indebtedness that is pari passu with, or subordinate pursuant to provisions substantially similar to those contained in Article 10 hereof in right of payment to, the Subordinated Notes.

**6O. Payment Limitations.** The Company covenants that it will not enter into or become subject to any restriction on the payment of any Subordinated Note or any payment under the Subsidiary Guaranty, other than the Subordination Agreement.

**6P. Terrorism Sanctions Regulations.** The Company covenants that it will not, and will not permit any Controlled Entity to, (i) become (including by virtue of being owned or controlled by a Blocked Person), own or control a Blocked Person or any Person that is the target of sanctions imposed by the United Nations or by the European Union, or (ii) directly or indirectly have any investment in or engage in any dealing or transaction (including, without limitation, any investment, dealing or transaction involving the proceeds of the Subordinated Notes) with any Person if such investment, dealing or transaction (a) would cause any holder of a Subordinated Note to be in violation of any law or regulation applicable to such holder, or (b) is prohibited by or subject to sanctions under any U.S. Economic Sanctions, or (iii) engage, or permit any Affiliate of either to engage, in any activity that could subject such Person or any holder of a Subordinated Note to sanctions under CISADA or any similar law or regulation with respect to Iran or any other country that is subject to U.S. Economic Sanctions.

**6Q. Most Favored Lender Status.** The Company covenants that it will not, and will not permit any Subsidiary to, amend the Credit Agreement or any other agreements or documents evidencing any Senior Debt to include one or more Additional Covenants or Additional Defaults, unless the Company or any Subsidiary has offered to the holders of the

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Subordinated Notes to enter into an amendment to this Agreement in form and substance reasonably satisfactory to the Required Holder(s) to include each such Additional Covenant and each such Additional Default, but mutatis mutandis, provided that any “cushion” in effect immediately prior to such amendment between the terms of the Senior Debt and the terms in this Agreement is maintained, if applicable. The Company further covenants to promptly, upon acceptance of any offer referred to in the preceding sentence, execute and deliver at its expense (including the reasonable fees and expenses of counsel for the holders of the Subordinated Notes) an amendment to this Agreement in form and substance reasonably satisfactory to the Required Holder(s) evidencing the amendment of this Agreement to include such Additional Covenants and Additional Defaults, but mutatis mutandis, provided that any “cushion” between the terms of the Senior Debt and the terms in this Agreement shall be maintained, if applicable.

“Additional Covenant” shall mean any affirmative or negative covenant or similar restriction contained in the Credit Agreement or any other document evidencing the Senior Debt or under which any Senior Debt is outstanding (regardless of whether such provision is labeled or otherwise characterized as a covenant) the subject matter of which either (i) is similar to that of any covenant in Article 5 or 6 of this Agreement, or related definitions in Article 10 of this Agreement, but contains one or more percentages, amounts or formulas that is more restrictive to the Company or any Subsidiary than

those set forth herein or more beneficial to lenders under the Credit Agreement or any other holders of the Senior Debt, in each case taking any “cushion” in such agreement into effect (and such covenant or similar restriction shall be deemed an Additional Covenant only to the extent that it is more restrictive or more beneficial) or (ii) is different from the subject matter of any covenants in Article 5 or 6 of this Agreement, or related definitions in Article 10 of this Agreement.

“**Additional Default**” shall mean any provision contained in the Credit Agreement or any other document evidencing the Senior Debt or under which any Senior Debt is outstanding to accelerate (with the passage of time or giving of notice or both) the maturity thereof or otherwise requires the Company or any Subsidiary to repay the Indebtedness under the Credit Agreement or any other document evidencing the Senior Debt or under which any Senior Debt is outstanding prior to the stated maturity thereof and which either (i) is similar to any Default or Event of Default contained in Article 7 of this Agreement, or related definitions in Article 10 of this Agreement, but contains one or more percentages, amounts or formulas that is more restrictive to the Company or any Subsidiary or has a shorter grace period than those set forth herein or is more beneficial to the lenders under the Credit Agreement or any other holders of the Senior Debt (and such provision shall be deemed an Additional Default only to the extent that it is more restrictive, has a shorter grace period or is more beneficial) or (ii) is different from the subject matter of any Default or Event of Default contained in Article 7 of this Agreement, or related definitions in Article 10 of this Agreement.

**6R. Restricted Payments.** The Company covenants that it will not, and will not permit any Subsidiary to, make any Restricted Payment if any Default or Event of Default exists or would result therefrom; provided that the foregoing shall not prohibit any Subsidiary from paying any dividend or making any similar distribution to the Company.

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## 7. EVENTS OF DEFAULT.

**7A. Acceleration.** If any of the following events shall occur and be continuing for any reason whatsoever (and whether such occurrence shall be voluntary or involuntary or come about or be effected by operation of law or otherwise):

- (i) the Company defaults in the payment of any principal of or Yield-Maintenance Amount payable with respect to any Subordinated Note when the same shall become due, either by the terms thereof or otherwise as herein provided; or
- (ii) the Company defaults in the payment of any interest on any Subordinated Note for more than three days after the date due; or
- (iii) (a) any Senior Debt has become due (or has been required to be repurchased by the Company or any Subsidiary) prior to its stated maturity or the Company or any Subsidiary defaults (whether as primary obligor or as a guarantor or other surety) in the payment of any Senior Debt at its stated maturity, (b) the Company or any Subsidiary defaults (whether as primary obligor or as guaranty or other surety) under any Material Rental Obligation; (c) the Company or any Subsidiary defaults (whether as primary obligor or as guarantor or other surety) in any payment of principal of or interest on any other obligation for money borrowed (or any Capital Lease Obligation, any obligation under a conditional sale or other title retention agreement, any obligation issued or assumed as full or partial payment for property whether or not secured by a purchase money mortgage or any obligation under notes payable or drafts accepted representing extensions of credit), other than the Subordinated Notes or the Senior Debt, which are covered by clauses (i) and (ii) of this paragraph 7A and subclause (a) of this clause (iii), respectively, beyond any period of grace provided with respect thereto, or the Company or any Subsidiary fails to perform or observe any other agreement, term or condition contained in any agreement under which any such obligation described in this clause (c) is created (or if any other event thereunder or under any such agreement shall occur and be continuing) and the effect of such failure or other event is to cause, or to permit the holder or holders of such obligation (or a trustee on behalf of such holder or holders) to cause, such obligation to become due (or to be repurchased by the Company or any Subsidiary) prior to any stated maturity, provided that, with respect to this clause (c), the aggregate amount of all obligations as to which such a payment default shall occur and be continuing or such a failure or other event causing or permitting acceleration (or resale to the Company or any Subsidiary) shall occur and be continuing exceeds \$500,000; or (d) there occurs under any Swap Contract an Early Termination Date (as defined in such Swap Contract or, if not so defined, any similar event under such Swap Contract) resulting from (1) any event of default under such Swap Contract as to which the Company or any Subsidiary is the Defaulting Party (as defined in such Swap Contract or, if not so defined, any similar term in such Swap Contract) or (2) any Termination Event (as defined in such Swap Contract or, if not so defined, any similar event under such Swap Contract) under such Swap Contract as to which the Company or any Subsidiary is an Affected Party (as defined in such Swap Contract or, if not so defined, any similar term in such Swap Contract) and, in either event, the Swap

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Termination Value owed by the Company or such Subsidiary as a result thereof exceeds \$500,000; or

(iv) any representation or warranty made by the Company or any Subsidiary herein or in any other Transaction Document or by the Company, any Subsidiary or any of their respective officers in connection with or pursuant to this Agreement or any other Transaction Document shall be false or misleading in any material respect on the date as of which made; or

(v) the Company fails to perform or observe any agreement contained in Article 5 (other than paragraphs 5E, 5G, 5H and 5L), Article 6 or paragraph 8I (with respect to the use of proceeds of the Subordinated Notes); or

(vi) any Obligor fails to perform or observe any other agreement, term or condition contained herein or in any other Transaction Document and such failure shall continue for 30 days; or

(vii) the Company or any Subsidiary makes an assignment for the benefit of creditors or is generally not paying its debts as such debts become due; or

(viii) any decree or order for relief in respect of the Company or any Subsidiary is entered under any bankruptcy, reorganization, compromise, arrangement, insolvency, readjustment of debt, dissolution or liquidation or similar law, whether now or hereafter in effect (herein called the “**Bankruptcy Law**”), of any jurisdiction; or



(ix) the Company or any Subsidiary petitions or applies to any tribunal for, or consents to, the appointment of, or taking possession by, a trustee, receiver, custodian, liquidator or similar official of the Company or any Subsidiary, or of any substantial part of the assets of the Company or any Subsidiary, or commences a voluntary case under the Bankruptcy Law of the United States or any proceedings (other than proceedings for the voluntary liquidation and dissolution of a Subsidiary) relating to the Company or any Subsidiary under the Bankruptcy Law of any other jurisdiction; or

(x) any such petition or application described in clause (ix) of this paragraph 7A is filed, or any such case or proceedings described in clause (ix) of this paragraph 7A are commenced, against the Company or any Subsidiary and the Company or such Subsidiary by any act indicates its approval thereof, consent thereto or acquiescence therein, or an order, judgment or decree is entered appointing any such trustee, receiver, custodian, liquidator or similar official, or approving the petition in any such proceedings, and such order, judgment or decree remains unstayed and in effect for more than 60 calendar days; or

(xi) any order, judgment or decree is entered in any proceedings against the Company or any Subsidiary decreeing the dissolution of the Company or such Subsidiary and such order, judgment or decree remains unstayed and in effect for more than 60 calendar days; or

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(xii) any order, judgment or decree is entered in any proceedings against the Company or any Subsidiary decreeing a split-up of the Company or such Subsidiary which requires the divestiture of assets representing a substantial part, or the divestiture of the stock of a Subsidiary whose assets represent a substantial part, of the consolidated assets of the Company and its Subsidiaries (determined in accordance with GAAP) or which requires the divestiture of assets, or stock of a Subsidiary, which shall have contributed a substantial part of the Consolidated Net Income (determined in accordance with GAAP) for any of the three fiscal years then most recently ended, and such order, judgment or decree remains unstayed and in effect for more than 60 calendar days; or

(xiii) (a) one or more final judgments or orders for the payment of money (to the extent not covered by insurance), including, without limitation, any final order enforcing a binding arbitration decision, in an aggregate amount in excess of \$500,000 is rendered against the Company or any Subsidiary or (b) one or more non-monetary final judgments is rendered against the Company or any Subsidiary that have, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect and, in each case, either (x) enforcement proceedings have been commenced by any creditor upon any such judgment or order or (y) within 45 consecutive days after entry thereof, any such judgment or order is not discharged or execution thereof stayed pending appeal, or within 45 consecutive days after the expiration of any such stay, such judgment or order is not discharged; or

(xiv) (a) an ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan which has resulted or could reasonably be expected to result in liability of the Company or any ERISA Affiliate under Title IV of ERISA to the Pension Plan, Multiemployer Plan or the PBGC in an aggregate amount in excess of \$500,000, or (b) the Company or any ERISA Affiliate fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan in an aggregate amount in excess of \$500,000; or

(xv) a Change of Control shall occur;

(xvi) any provision of any Transaction Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all obligations owing to the Purchasers and the holders of the Subordinated Notes under the Transaction Documents, ceases to be in full force and effect; or any Obligor or any other Person contests in any manner the validity or enforceability of any provision of any Transaction Document; or any Obligor denies that it has any or further liability or obligation under any Transaction Document, or purports to revoke, terminate or rescind any provision of any Transaction Document; or

(xvii) a notice under Article 36, Tax Collection Act (*Invorderingswet 1990*) has been given by the Company or any Subsidiary;

then (a) if such event is an Event of Default specified in clause (i) or (ii) of this paragraph 7A, any holder of any Subordinated Note (other than the Company or any of its Subsidiaries or

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Affiliates) may at its option, by notice in writing to the Company, declare all of the Subordinated Notes held by such holder to be, and all of the Subordinated Notes held by such holder shall thereupon be and become, immediately due and payable at par together with interest accrued thereon, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Company, (b) if such event is an Event of Default specified in clause (viii), (ix) or (x) of this paragraph 7A with respect to the Company, all of the Subordinated Notes at the time outstanding shall automatically become immediately due and payable together with interest accrued thereon and, if the Settlement Date is before October 18, 2016, together with the Yield-Maintenance Amount, if any, with respect to each Subordinated Note, without presentment, demand, protest or notice of any kind, all of which are hereby waived by the Company, and (c) if such event is not an Event of Default specified in clause (viii), (ix) or (x) of this paragraph 7A with respect to the Company, the Required Holder(s) may at its or their option, by notice in writing to the Company, declare all of the Subordinated Notes to be, and all of the Subordinated Notes shall thereupon be and become, immediately due and payable together with interest accrued thereon and, if the Settlement Date is before October 18, 2016, together with the Yield-Maintenance Amount, if any, with respect to each Subordinated Note, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Company. The Company acknowledges, and the parties hereto agree, that each holder of a Subordinated Note has the right to maintain its investment in the Subordinated Notes free from repayment by the Company (except as herein specifically provided for) and without the occurrence of an Event of Default and that the provision for payment of Yield-Maintenance Amount by the Company in the event the Subordinated Notes are accelerated as a result of an Event of Default is intended to provide compensation for the deprivation of such right under such circumstances.

**7B. Rescission of Acceleration.** At any time after any or all of the Subordinated Notes shall have been declared immediately due and payable pursuant to paragraph 7A, the Required Holder(s) may, by notice in writing to the Company, rescind and annul such declaration and its consequences if (i) the Company shall have paid all overdue interest on the Subordinated Notes, the principal of and Yield-Maintenance Amount, if any, payable with respect to any

Subordinated Notes which have become due otherwise than by reason of such declaration, and interest on such overdue interest and overdue principal and Yield-Maintenance Amount at the Default Rate, (ii) the Company shall not have paid any amounts which have become due solely by reason of such declaration, (iii) all Events of Default and Defaults, other than non-payment of amounts which have become due solely by reason of such declaration, shall have been cured or waived pursuant to paragraph 12C, and (iv) no judgment or decree shall have been entered for the payment of any amounts due pursuant to the Subordinated Notes or this Agreement. No such rescission or annulment shall extend to or affect any subsequent Event of Default or Default or impair any right arising therefrom.

**7C. Notice of Acceleration or Rescission.** Whenever any Subordinated Note shall be declared immediately due and payable pursuant to paragraph 7A or any such declaration shall be rescinded and annulled pursuant to paragraph 7B, the Company shall forthwith give written notice thereof to the holder of each Subordinated Note at the time outstanding.

**7D. Other Remedies.** If any Event of Default or Default shall occur and be continuing, the holder of any Subordinated Note may proceed to protect and enforce its rights under this Agreement, such Subordinated Note and the other Transaction Documents by

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exercising such remedies as are available to such holder in respect thereof under applicable law, either by suit in equity or by action at law, or both, whether for specific performance of any covenant or other agreement contained in this Agreement or any other Transaction Document or in aid of the exercise of any power granted in this Agreement or any other Transaction Document. No remedy conferred in this Agreement or any other Transaction Document upon the holder of any Subordinated Note is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy conferred herein or now or hereafter existing at law or in equity or by statute or otherwise.

**8. REPRESENTATIONS, COVENANTS AND WARRANTIES.** The Company represents, covenants and warrants as set forth in this Article 8. Each reference to a "Subsidiary" or an "Obligor" in any representation or warranty in this Article 8, other than in paragraph 8B, to the extent such representation or warranty relates to a date or period of time prior to the date of closing, shall include the Target and its Subsidiaries.

**8A(1). Organization; Subsidiary Preferred Stock.** The Company is a corporation duly organized and existing in good standing under the laws of the State of Colorado and each Subsidiary is duly organized and existing in good standing under the laws of the jurisdiction in which it is organized. The Company and each of its Subsidiaries have duly qualified or been duly licensed, and are authorized to do business and are in good standing, in each jurisdiction in which the ownership of their respective properties or the nature of their respective businesses makes such qualification or licensing necessary and in which the failure to be so qualified or licensed could be reasonably likely to have a Material Adverse Effect. No Subsidiary has any outstanding shares of any class of capital stock or other Equity Interests which has priority over any other class of capital stock or other Equity Interests of such Subsidiary as to dividends or distributions or in liquidation except as may be owned beneficially and of record by the Company or a Wholly-Owned Subsidiary. No Subsidiary is a party to, or otherwise subject to any legal, regulatory, contractual or other restriction (other than this Agreement, the Credit Agreement and customary limitations imposed by corporate or limited liability company law or similar statutes) restricting the ability of such Subsidiary to pay dividends out of profits or make other distributions of profits to the Company or any of its other Subsidiaries that owns outstanding shares of capital stock or other Equity Interests of such Subsidiary.

**8A(2). Power and Authority.** Each of the Company and its Subsidiaries has all requisite corporate, limited liability company or partnership, as the case may be, power to own or hold under lease and operate its properties which it purports to own or hold under lease and to conduct its business as currently conducted and as currently proposed to be conducted.

**8A(3). Execution and Delivery of Transaction Documents.** Each Obligor has all requisite corporate or other organizational power to execute, deliver and perform its obligations under each Transaction Document to which it is a party. The execution, delivery and performance by each Obligor of each Transaction Document to which it is a party have been duly authorized by all requisite corporate or other organizational action on the part of such Obligor, and each Transaction Document to which each Obligor is a party has been duly executed and delivered by authorized officers of such Obligor and are valid obligations of such Obligor, legally binding upon and enforceable against such Obligor in accordance with their terms, except as such enforceability may be limited by (i) bankruptcy, insolvency, reorganization

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or other similar laws affecting the enforcement of creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

**8B. Financial Statements.** The Company has furnished each Purchaser with the following financial statements, identified by a principal financial officer of the Company: (i) a consolidating and consolidated balance sheet of the Company and its Subsidiaries as at December 31 in each of the years 2010 through 2012, inclusive, and consolidating and consolidated statements of income, stockholders' equity and cash flows of the Company and its Subsidiaries for each such year, all reported on by EKS&H LLLP; (ii) a consolidated balance sheet of the Target and its Subsidiaries as at December 31 in each of the years 2011 through 2012, inclusive, and consolidated statements of income, stockholders' equity and cash flows of the Target and its Subsidiaries for each such year; (iii) a consolidating and consolidated balance sheet of the Company and its Subsidiaries as at June 30, 2013 and consolidating and consolidated statements of income, stockholders' equity and cash flows for the six-month period ended on each such date, prepared by the Company; and (iv) a consolidated balance sheet of the Target and its Subsidiaries as at June 30, 2013 and consolidated statements of income, stockholders' equity and cash flows for the six-month period ended on each such date, prepared by the Target. Such financial statements (including any related schedules and/or notes) are true and correct in all material respects (subject, as to interim statements, to changes resulting from audits and year-end adjustments), have been prepared in accordance with GAAP consistently followed throughout the periods involved and show all liabilities, direct and contingent, of the Company and its Subsidiaries or the Target and its Subsidiaries, as applicable, required to be shown in accordance with such principles. The balance sheets fairly present the condition of the Company and its Subsidiaries or the Target and its Subsidiaries, as applicable, as at the dates thereof, and the statements of income, stockholders' equity and cash flows fairly present the results of the operations of the Company and its Subsidiaries or the Target and its Subsidiaries, as applicable, and their respective cash flows for the periods indicated. Since December 31, 2012, (a) there has been no material adverse change in the business, property or assets, condition (financial or otherwise), operations or prospects of the Company and its Subsidiaries taken as a whole or of the Target and its Subsidiaries, taken as a whole, and (b) none of the Company, the Target or any Subsidiary has paid any dividend or made any other distribution with respect to its capital stock.

**8C. Actions Pending.** There is no action, suit, investigation or proceeding pending or, to the knowledge of the Company, threatened against the Company or any of its Subsidiaries, or any properties or rights of the Company or any of its Subsidiaries, by or before any court, arbitrator or administrative or governmental body which, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

**8D. Outstanding Indebtedness.** Neither the Company nor any of its Subsidiaries has outstanding any Indebtedness except as permitted by paragraph 6C. There exists no default under the provisions of any instrument evidencing such Indebtedness or of any agreement relating thereto.

**8E. Title to Properties.** The Company has and each of its Subsidiaries has good and indefeasible title to its respective real properties (other than properties which it leases) and good title to all of its other respective properties and assets, including the properties and assets

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reflected in the balance sheets as at December 31, 2012 referred to in paragraph 8B (other than properties and assets disposed of in the ordinary course of business), subject to no Lien of any kind except Liens permitted by paragraph 6A and except for such defects in title which, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. All leases necessary in any material respect for the conduct of the respective businesses of the Company and its Subsidiaries are valid and subsisting and are in full force and effect.

**8F. Taxes.** The Company has and each of its Subsidiaries has filed all federal, state and other income tax returns which, to the knowledge of the officers of the Company and its Subsidiaries, are required to be filed, and each has paid all taxes as shown on such returns and on all assessments received by it to the extent that such taxes have become due, except such taxes as are being actively contested in good faith by appropriate proceedings for which adequate reserves have been established in accordance with GAAP.

**8G. Conflicting Agreements and Other Matters.** Neither the Company nor any of its Subsidiaries is a party to any contract or agreement or subject to any charter, by-law, limited liability company operating agreement, partnership agreement or other corporate, limited liability company or partnership restriction which materially and adversely affects its business, property or assets, condition (financial or otherwise) or prospects. Neither the execution nor delivery of this Agreement, the Subordinated Notes or the other Transaction Documents, nor the offering, issuance and sale of the Subordinated Notes, nor the consummation of the transactions contemplated by the Acquisition Agreement, nor fulfillment of nor compliance with the terms and provisions hereof, of the Subordinated Notes and of the other Transaction Documents will conflict with, or result in a breach of the terms, conditions or provisions of, or constitute a default under, or result in any violation of, or result in the creation of any Lien upon any of the properties or assets of the Company or any of its Subsidiaries pursuant to, the charter, by-laws, limited liability company operating agreement or partnership agreement of the Company or any of its Subsidiaries, any award of any arbitrator or any agreement (including any agreement with stockholders, members or partners), instrument, order, judgment, decree, statute, law, rule or regulation to which the Company or any of its Subsidiaries is subject. Neither the Company nor any of its Subsidiaries is a party to, or otherwise subject to any provision contained in, any instrument evidencing Indebtedness of the Company or such Subsidiary, any agreement relating thereto or any other contract or agreement (including its charter, by-laws, limited liability company operating agreement or partnership agreement) which limits the amount of, or otherwise imposes restrictions on the incurring of, Indebtedness of the Company of the type to be evidenced by the Subordinated Notes or Indebtedness of the Subsidiary Guarantors of the type to be evidenced by the Subsidiary Guaranty except for (i) the Credit Agreement and the other Loan Documents (as defined in the Credit Agreement), in each case as in effect on the date of closing, and (ii) as set forth in the agreements listed in Schedule 8G attached hereto.

**8H. Offering of Subordinated Notes.** Neither the Company nor any agent acting on its behalf has, directly or indirectly, offered the Subordinated Notes or any similar security of the Company for sale to, or solicited any offers to buy the Subordinated Notes or any similar security of the Company from, or otherwise approached or negotiated with respect thereto with, any Person other than Institutional Investors, and neither the Company nor any agent acting on its behalf has taken or will take any action which would subject the issuance or sale of the

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Subordinated Notes to the provisions of section 5 of the Securities Act or to the provisions of any securities or Blue Sky law of any applicable jurisdiction.

**8I. Use of Proceeds.** The aggregate market value of all margin stock as defined in Regulation U (12 CFR Part 221) of the FRB (herein called "margin stock") owned by the Company and its Subsidiaries does not exceed 25% of the aggregate value of the assets thereof, as determined by any reasonable method. The proceeds of sale of the Subordinated Notes will be used to pay a portion of the acquisition consideration under the Acquisition Agreement, and for other general corporate purposes of the Company and its Subsidiaries. None of such proceeds will be used, directly or indirectly, for the purpose, whether immediate, incidental or ultimate, of purchasing or carrying any margin stock or for the purpose of maintaining, reducing or retiring any Indebtedness which was originally incurred to purchase or carry any stock that is currently a margin stock or for any other purpose which might constitute the sale or purchase of any Subordinated Notes a "purpose credit" within the meaning of such Regulation U. The Company is not engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying margin stock. Neither the Company nor any agent acting on its behalf has taken or will take any action which might cause this Agreement or any Subordinated Note to violate Regulation T, Regulation U or any other regulation of the FRB or to violate the Exchange Act, in each case as in effect now or as the same may hereafter be in effect.

**8J. ERISA.**

(i) The Company and each ERISA Affiliate have operated and administered each Plan in compliance with all applicable laws except for such instances of noncompliance as have not resulted in and could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect. Neither the Company nor any ERISA Affiliate has incurred any liability pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans (as defined in section 3 or ERISA), and no event, transaction or condition has occurred or exists that could, individually or in the aggregate, reasonably be expected to result in the incurrence of any such liability by the Company or any ERISA Affiliate, or in the imposition of any Lien on any of the rights, properties or assets of the Company or any ERISA Affiliate, in either case pursuant to Title I or IV of ERISA or to section 430(k) of the Code or to any such penalty or excise tax provisions under the Code or federal law or section 4068 of ERISA or by the granting of a security interest in connection with the amendment of a Plan, other than such liabilities or Liens as would not be individually or in the aggregate material in relation to the business, operations, affairs, financial condition, assets, properties, or prospects of the Company and its Subsidiaries taken as a whole.

(ii) Except as set forth in Schedule 8J, the present value of the aggregate benefit liabilities under each of the Plans (other than Multiemployer Plans), determined as of the end of such Plan's most recently ended plan year on the basis of the actuarial assumptions specified for funding purposes in such Plan's most recent actuarial valuation report, did not exceed the aggregate current value of the assets of such Plan allocable to such benefit liabilities. The term "**benefit liabilities**" has the meaning specified in

section 4001 of ERISA and the terms "**current value**" and "**present value**" have the meaning specified in section 3 of ERISA.

(iii) The Company and its ERISA Affiliates have not incurred withdrawal liabilities (and are not subject to contingent withdrawal liabilities) under section 4201 or 4204 of ERISA in respect of Multiemployer Plans that individually or in the aggregate are material in relation to the business, operations, affairs, financial condition, assets, properties, or prospects of the Company and its Subsidiaries taken as a whole.

(iv) The expected postretirement benefit obligation (determined as of the last day of the Company's most recently ended fiscal year in accordance with ASC No. 715-60 — *Defined Benefit Plans — Other Postretirement*, without regard to liabilities attributable to continuation coverage mandated by section 4980B of the Code) of the Company and its Subsidiaries is not material in relation to the business, operations, affairs, financial condition, assets, properties, or prospects of the Company and its Subsidiaries taken as a whole.

(v) The execution and delivery of this Agreement and the issuance and sale of the Subordinated Notes will be exempt from, or will not involve any transaction which is subject to, the prohibitions of section 406 of ERISA and will not involve any transaction in connection with which a penalty could be imposed under section 502(i) of ERISA or a tax could be imposed pursuant to section 4975 of the Code. The representation by the Company in the next preceding sentence is made in reliance upon and subject to the accuracy of each Purchaser's representation in paragraph 9B.

**8K. Governmental Consent.** Neither the nature of the Company or of any Subsidiary, nor any of their respective businesses or properties, nor any relationship between the Company or any Subsidiary and any other Person, nor any circumstance in connection with the offering, issuance, sale or delivery of the Subordinated Notes is such as to require any authorization, consent, approval, exemption or other action by or notice to or filing with any court or administrative or governmental body (other than routine filings after the date of closing with the Securities and Exchange Commission and/or state Blue Sky authorities) in connection with the execution and delivery of this Agreement and the other Transaction Documents, the offering, issuance, sale or delivery of the Subordinated Notes or fulfillment of or compliance with the terms and provisions hereof, of the Subordinated Notes, or of the other Transaction Documents.

**8L. Compliance with Environmental and Other Laws.** The Company and its Subsidiaries and all of their respective properties and facilities have complied at all times and in all respects with all federal, state, local, foreign and regional statutes, laws, ordinances and judicial or administrative orders, judgments, rulings and regulations, including, without limitation, Environmental Laws, the USA PATRIOT Act or any of the other laws and regulations that are referred to in paragraph 8Q, except, in any such case, where failure to comply, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

**8M. Regulatory Status.** Neither the Company nor any of its Subsidiaries is (i) an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended, or an "investment adviser" within the meaning of the Investment Advisers Act of 1940, as amended, (ii) a "holding company" or a "subsidiary company" or an "affiliate" of a "holding company" or of a "subsidiary company" of a "holding company", within the meaning of the Public Utility Holding Company Act of 2005, (iii) a "public utility" within the meaning of the Federal Power Act, as amended. Neither the Company nor any Subsidiary is subject to regulation as a "public utility" (or any analogous term) under any state or local law or subject to regulation under the ICC Termination Act of 1995, as amended.

**8N. Permits and Other Operating Rights.** The Company and each Subsidiary has all such valid and sufficient certificates of convenience and necessity, franchises, licenses, permits, operating rights and other authorizations from federal, state, foreign, regional, municipal and other local regulatory bodies or administrative agencies or other governmental bodies having jurisdiction over the Company or any Subsidiary or any of its properties, products or services as are necessary for the ownership, operation and maintenance of its businesses and properties, as presently conducted and as proposed to be conducted while the Subordinated Notes are outstanding, subject to exceptions and deficiencies which, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect, and such certificates of convenience and necessity, franchises, licenses, permits, operating rights and other authorizations from federal, state, foreign, regional, municipal and other local regulatory bodies or administrative agencies or other governmental bodies having jurisdiction over the Company, any Subsidiary or any of its properties, products or services are free from restrictions or conditions which, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect, and neither the Company nor any Subsidiary is in violation of any thereof in any material respect.

**8O. Rule 144A.** The Subordinated Notes are not of the same class as securities of the Company, if any, listed on a national securities exchange, registered under Section 6 of the Exchange Act or quoted in a U.S. automated inter-dealer quotation system.

**8P. Absence of Financing Statements, etc.** Except with respect to (i) financing statements showing JPMorgan Chase Bank, N.A. as secured party, in each case for which the Company is authorized as of the date of closing by such secured party to, and immediately following the effectiveness of this Agreement shall, file an appropriate termination, and (ii) Liens permitted by paragraph 6A hereof, there is no financing statement, security agreement, chattel mortgage, real estate mortgage or other document filed or recorded with any filing records, registry or other public office, that purports to cover, affect or give notice of any present or possible future Lien on, or security interest in, any assets or property of the Company or any of its Subsidiaries or any rights relating thereto.

**8Q. Foreign Assets Control Regulations, Etc.** (i) Neither the Company nor any Controlled Entity is (a) a Person whose name appears on the list of Specially Designated Nationals and Blocked Persons published by the Office of Foreign Assets Control, United States Department of the Treasury ("**OFAC**") (an "**OFAC Listed Person**"), (b) an agent, department, or instrumentality of, or is otherwise beneficially owned by, controlled by or acting on behalf of,

directly or indirectly, (x) any OFAC Listed Person or (y) any Person, entity, organization, foreign country or regime that is subject to any OFAC Sanctions Program, or (c) otherwise blocked, subject to sanctions under or engaged in any activity in violation of other United States economic sanctions, including but not limited to, the Trading with the Enemy Act, the International Emergency Economic Powers Act, the Comprehensive Iran Sanctions, Accountability and Divestment Act (“**CISADA**”) or any similar law or regulation with respect to Iran or any other country, the Sudan Accountability and Divestment Act, any OFAC Sanctions Program, or any economic sanctions regulations administered and enforced by the United States or any enabling legislation or executive order relating to any of the foregoing (collectively, “**U.S. Economic Sanctions**”) (each OFAC Listed Person and each other Person, entity, organization and government of a country described in clause (a), clause (b) or clause (c), a “**Blocked Person**”). Neither the Company nor any Controlled Entity has been notified that its name appears or may in the future appear on a state list of Persons that engage in investment or other commercial activities in Iran or any other country that is subject to U.S. Economic Sanctions.

(ii) No part of the proceeds from the sale of the Subordinated Notes hereunder constitutes or will constitute funds obtained on behalf of any Blocked Person or will otherwise be used by the Company or any Controlled Entity, directly or indirectly, (a) in connection with any investment in, or any transactions or dealings with, any Blocked Person, or (b) otherwise in violation of U.S. Economic Sanctions.

(iii) Neither the Company nor any Controlled Entity (a) has been found in violation of, charged with, or convicted of, money laundering, drug trafficking, terrorist-related activities or other money laundering predicate crimes under the Currency and Foreign Transactions Reporting Act of 1970 (otherwise known as the Bank Secrecy Act), the USA PATRIOT Act or any other United States law or regulation governing such activities (collectively, “**Anti-Money Laundering Laws**”) or any U.S. Economic Sanctions violations, (b) to the Company’s actual knowledge after making due inquiry, is under investigation by any Governmental Authority for possible violation of Anti-Money Laundering Laws or any U.S. Economic Sanctions violations, (c) has been assessed civil penalties under any Anti-Money Laundering Laws or any U.S. Economic Sanctions, or (d) has had any of its funds seized or forfeited in an action under any Anti-Money Laundering Laws. The Company has established procedures and controls which it reasonably believes are adequate (and otherwise comply with applicable law) to ensure that the Company and each Controlled Entity is and will continue to be in compliance with all applicable current and future Anti-Money Laundering Laws and U.S. Economic Sanctions.

(iv) (a) Neither the Company nor any Controlled Entity (w) has been charged with, or convicted of bribery or any other anti-corruption related activity under any applicable law or regulation in a U.S. or any non-U.S. country or jurisdiction, including but not limited to, the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act 2010 (collectively, “**Anti-Corruption Laws**”), (x) to the Company’s actual knowledge after making due inquiry, is under investigation by any U.S. or non-U.S. Governmental Authority for possible violation of Anti-Corruption Laws, (y) has been assessed civil or criminal penalties under any Anti-Corruption Laws or (z) has been or is the target of sanctions imposed by the United Nations or the European Union;

(b) To the Company’s actual knowledge after making due inquiry, neither the Company nor any Controlled Entity has, within the last five years, directly or indirectly offered, promised, given, paid or authorized the offer, promise, giving or payment of anything of value to a Governmental Official or a commercial counterparty for the purposes of: (x) influencing any act, decision or failure to act by such Government Official in his or her official capacity or such commercial counterparty, (y) inducing a Governmental Official to do or omit to do any act in violation of the Governmental Official’s lawful duty, or (z) inducing a Governmental Official or a commercial counterparty to use his or her influence with a government or instrumentality to affect any act or decision of such government or entity; in each case in order to obtain, retain or direct business or to otherwise secure an improper advantage in violation of any applicable law or regulation or which would cause any holder of a Subordinated Note to be in violation of any law or regulation applicable to such holder; and

(c) No part of the proceeds from the sale of the Subordinated Notes hereunder will be used, directly or indirectly, for any improper payments, including bribes, to any Governmental Official or commercial counterparty in order to obtain, retain or direct business or obtain any improper advantage. The Company has established procedures and controls which it reasonably believes are adequate (and otherwise comply with applicable law) to ensure that the Company and each Controlled Entity is and will continue to be in compliance with all applicable current and future Anti-Corruption Laws.

**8R. Environmental Matters.** (i) Neither the Company nor any Subsidiary has knowledge of any claim or has received any notice of any claim and no proceeding has been instituted asserting any claim against the Company or any of its Subsidiaries or any of their respective real properties or other assets now or formerly owned, leased or operated by any of them, alleging any damage to the environment or violation of any Environmental Laws, except, in each case, such as could not reasonably be expected to result in a Material Adverse Effect.

(ii) Neither the Company nor any Subsidiary has knowledge of any facts which would give rise to any claim, public or private, of violation of Environmental Laws or damage to the environment emanating from, occurring on or in any way related to real properties now or formerly owned, leased or operated by any of them or to other assets or their use, except, in each case, such as could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

(iii) Neither the Company nor any Subsidiary has stored any Hazardous Materials on real properties now or formerly owned, leased or operated by any of them in a manner which is contrary to any Environmental Law that could, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

(iv) Neither the Company nor any Subsidiary has disposed of any Hazardous Materials in a manner which is contrary to any Environmental Law that could, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

(v) All buildings on all real properties now owned, leased or operated by the Company or any Subsidiary are in compliance with applicable Environmental Laws, except

where failure to comply could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

**8S. Solvency.** On the date of closing, after consummation of the transactions contemplated by this Agreement and the other Transaction Documents, including the issuance of the Subordinated Notes and the incurrence of any Senior Debt on the date of closing, the use of the proceeds thereof and the consummation of the acquisition under the Acquisition Agreement, the Company and its Subsidiaries on a consolidated basis will be Solvent.

**8T. Disclosure.** Neither this Agreement, any other Transaction Document nor any other document, certificate or statement furnished to any Purchaser by or on behalf of the Company or any Subsidiary in connection herewith contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein and therein not misleading. There is no fact or facts peculiar to the Company or any of its Subsidiaries which materially adversely affects or in the future may (so far as the Company can now reasonably foresee), individually or in the aggregate, reasonably be expected to materially adversely affect the business, property or assets, or financial condition of the Company or any of its Subsidiaries and which has not been set forth in this Agreement or in the other documents, certificates and statements furnished to each Purchaser by or on behalf of the Company or any Subsidiary prior to the date hereof in connection with the transactions contemplated hereby. Any financial projections delivered to any Purchaser on or prior to the date hereof are reasonable based on the assumptions stated therein and the best information available to the officers of the Company.

**8U. Acquisition Agreement Representations.** To the best of the Company's knowledge, each of the representations and warranties of the Seller in the Acquisition Agreement is true and correct.

**9. REPRESENTATIONS OF EACH PURCHASER.** Each Purchaser represents as follows:

**9A. Nature of Purchase.** Such Purchaser is not acquiring the Subordinated Notes to be purchased by it hereunder with a view to or for sale in connection with any distribution thereof within the meaning of the Securities Act, provided that the disposition of such Purchaser's property shall at all times be and remain within its control.

**9B. Source of Funds.** At least one of the following statements is an accurate representation as to each source of funds (a "Source") to be used by such Purchaser to pay the purchase price of the Subordinated Notes to be purchased by such Purchaser hereunder:

(i) the Source is an "insurance company general account" (as that term is defined in the United States Department of Labor's Prohibited Transaction Exemption ("PTE") 95-60) in respect of which the reserves and liabilities (as defined by the annual statement for life insurance companies approved by the National Association of Insurance Commissioners (the "NAIC Annual Statement")) for the general account contract(s) held by or on behalf of any employee benefit plan together with the amount of the reserves and liabilities for the general account contract(s) held by or on behalf of any

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other employee benefit plans maintained by the same employer (or affiliate thereof as defined in PTE 95-60) or by the same employee organization in the general account do not exceed 10% of the total reserves and liabilities of the general account (exclusive of separate account liabilities) plus surplus as set forth in the NAIC Annual Statement filed with such Purchaser's state of domicile; or

(ii) the Source is a separate account that is maintained solely in connection with such Purchaser's fixed contractual obligations under which the amounts payable, or credited, to any employee benefit plan (or its related trust) that has any interest in such separate account (or to any participant or beneficiary of such plan (including any annuitant)) are not affected in any manner by the investment performance of the separate account; or

(iii) the Source is either (a) an insurance company pooled separate account, within the meaning of PTE 90-1, or (b) a bank collective investment fund, within the meaning of the PTE 91-38 and, except as disclosed by such Purchaser to the Company in writing pursuant to this clause (iii), no employee benefit plan or group of plans maintained by the same employer or employee organization beneficially owns more than 10% of all assets allocated to such pooled separate account or collective investment fund; or

(iv) the Source constitutes assets of an "investment fund" (within the meaning of Part VI of PTE 84-14 (the "QPAM Exemption")) managed by a "qualified professional asset manager" or "QPAM" (within the meaning of Part VI of the QPAM Exemption), no employee benefit plan's assets that are managed by the QPAM in such investment fund, when combined with the assets of all other employee benefit plans established or maintained by the same employer or by an affiliate (within the meaning of Part VI(c)(1) of the QPAM Exemption) of such employer or by the same employee organization and managed by such QPAM, represent more than 20% of the total client assets managed by such QPAM, the conditions of Part I(c) and (g) of the QPAM Exemption are satisfied, neither the QPAM nor a person controlling or controlled by the QPAM maintains an ownership interest in the Company that would cause the QPAM and the Company to be "related" within the meaning of Part VI(h) of the QPAM Exemption and (i) the identity of such QPAM and (ii) the names of any employee benefit plans whose assets in the investment fund, when combined with the assets of all other employee benefit plans established or maintained by the same employer or by an affiliate (within the meaning of Part VI(c)(1) of the QPAM Exemption) of such employer or by the same employee organization, represent 10% or more of the assets of such investment fund, have been disclosed to the Company in writing pursuant to this clause (iv); or

(v) the Source constitutes assets of a "plan(s)" (within the meaning of Part IV(h) of PTE 96-23 (the "INHAM Exemption")) managed by an "in-house asset manager" or "INHAM" (within the meaning of Part IV(a) of the INHAM Exemption), the conditions of Part I(a), (g) and (h) of the INHAM Exemption are satisfied, neither the INHAM nor a person controlling or controlled by the INHAM (applying the definition of "control" in Part IV(d)(3) of the INHAM Exemption) owns a 10% or more interest in the Company and (a) the identity of such INHAM and (b) the name(s) of the employee

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benefit plan(s) whose assets constitute the Source have been disclosed to the Company in writing pursuant to this clause (v); or

(vi) the Source is a governmental plan; or

(vii) the Source is one or more employee benefit plans, or a separate account or trust fund comprised of one or more employee benefit plans, each of which has been identified to the Company in writing pursuant to this clause (vii); or

(viii) the Source does not include assets of any employee benefit plan, other than a plan exempt from the coverage of ERISA; or

(ix) the Source does not include “plan assets” within the meaning of 29 C.F.R. section 2510.3-101.

As used in this paragraph 9B, the terms “**employee benefit plan**”, “**governmental plan**”, and “**separate account**” shall have the respective meanings assigned to such terms in Section 3 of ERISA.

**10. SUBORDINATION OF SUBORDINATED NOTES.** Anything in this Agreement to the contrary notwithstanding, all amounts owing to the holders of the Subordinated Notes under this Agreement and the Subordinated Notes with respect to the principal of, interest on, and Yield-Maintenance Amount, if any, due with respect to the Subordinated Notes shall be subordinate and junior to all Senior Debt to the extent set forth in the Subordination Agreement.

**11. DEFINITIONS; ACCOUNTING MATTERS.** For the purpose of this Agreement, the terms defined in paragraphs 11A and 11B (or within the text of any other paragraph) shall have the respective meanings specified therein and all accounting matters shall be subject to determination as provided in paragraph 11C.

**11A. Yield-Maintenance Terms.**

“**Called Principal**” shall mean, with respect to any Subordinated Note, the principal of such Subordinated Note that is declared to be or otherwise become due and payable pursuant to paragraph 7A, as the context requires.

“**Discounted Value**” shall mean, with respect to the Called Principal of any Subordinated Note, the amount obtained by discounting all Remaining Scheduled Payments with respect to such Called Principal from their respective scheduled due dates to the Settlement Date with respect to such Called Principal, in accordance with accepted financial practice and at a discount factor (as converted to reflect the periodic basis on which interest on such Subordinated Note is payable, if interest is payable other than on a semi-annual basis) equal to the Reinvestment Yield with respect to such Called Principal.

“**Reinvestment Yield**” shall mean, with respect to the Called Principal of any Subordinated Note, 0.50% over the yield to maturity implied by (i) the yields reported as of 10:00 a.m. (New York City local time) on the Business Day next preceding the Settlement Date with respect to such Called Principal for the most recent actively traded on the run U.S. Treasury

securities having a maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date on the display designated as “Page PX1” on Bloomberg Financial Markets (or such other display as may replace Page PX1 on Bloomberg Financial Markets or, if Bloomberg Financial Markets shall cease to report such yields or shall cease to be Prudential Capital Group’s customary source of information for calculating yield-maintenance amounts on privately placed notes, then such source as is then Prudential Capital Group’s customary source of such information), or (ii) if such yields shall not be reported as of such time or the yields reported as of such time shall not be ascertainable (including by way of interpolation), the Treasury Constant Maturity Series yields reported, for the latest day for which such yields shall have been so reported as of the Business Day next preceding the Settlement Date with respect to such Called Principal, in Federal Reserve Statistical Release H.15 (or any comparable successor publication) for U.S. Treasury securities having a constant maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date. In the case of each determination under clause (i) or (ii) of the preceding sentence, such implied yield shall be determined, if necessary, by (a) converting U.S. Treasury bill quotations to bond equivalent yields in accordance with accepted financial practice and (b) interpolating linearly between (1) the applicable U.S. Treasury security with the maturity closest to and greater than such Remaining Average Life and (2) the applicable U.S. Treasury security with the maturity closest to and less than such Remaining Average Life. The Reinvestment Yield shall be rounded to that number of decimal places as appears in the coupon of the applicable Subordinated Note.

“**Remaining Average Life**” shall mean, with respect to the Called Principal of any Subordinated Note, the number of years (calculated to the nearest one-twelfth year) obtained by dividing (i) such Called Principal into (ii) the sum of the products obtained by multiplying (a) each Remaining Scheduled Payment of such Called Principal (but not of interest thereon) by (b) the number of years (calculated to the nearest one-twelfth year) which will elapse between the Settlement Date with respect to such Called Principal and the scheduled due date of such Remaining Scheduled Payment.

“**Remaining Scheduled Payments**” shall mean, with respect to the Called Principal of any Subordinated Note, all payments of such Called Principal and interest thereon that would be due on or after the Settlement Date with respect to such Called Principal if no payment of such Called Principal were made prior to its scheduled due date.

“**Settlement Date**” shall mean, with respect to the Called Principal of any Subordinated Note, the date on which such Called Principal is declared to be or otherwise becomes due and payable pursuant to paragraph 7A, as the context requires.

“**Yield-Maintenance Amount**” shall mean, with respect to any Subordinated Note, an amount equal to the excess, if any, of the Discounted Value of the Called Principal of such Subordinated Note over the sum of (i) such Called Principal plus (ii) interest accrued thereon as of (including interest due on) the Settlement Date with respect to such Called Principal. The Yield-Maintenance Amount shall in no event be less than zero.

**11B. Other Terms.**

“**Acquisition**” shall mean the purchase by the Company of all of the outstanding shares of the Target, as contemplated by the Acquisition Agreement.

“**Acquisition Agreement**” shall have the meaning given in paragraph 3I hereof.

“**Affiliate**” shall mean with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with, such first Person, except a Subsidiary of the Company shall not be an Affiliate of the Company. A Person shall be deemed to control a corporation or other entity if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such corporation or entity, whether through the ownership of voting securities, by contract or otherwise. With respect to each Purchaser, any managed account, investment fund or other vehicle for which such Purchaser or any Affiliate of such Purchaser then acts as investment advisor or portfolio manager shall be an “Affiliate” of such Purchaser. Notwithstanding the foregoing, no Purchaser nor any of its Affiliates shall be an Affiliate of the Company or any of the Subsidiaries.

“**Allied B.V.**” shall mean Allied Motion Technologies B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under Dutch law, having its seat (*statutaire zetel*) in Dordrecht, The Netherlands, and registered with the Dutch Commercial Register (*Handelsregister*) under number 24365775.

“**Annualized**” shall mean, in connection with determining the denominator of the Fixed Charge Coverage Ratio for the first three complete fiscal quarters ending after the date of closing, taking the actual result or calculation for each full fiscal quarter after the date of closing, and through the date of determination and multiplying it by a fraction, the numerator of which is four and the denominator of which is the number of full fiscal quarters that have elapsed since the date of closing.

“**Anti-Corruption Laws**” shall have the meaning given in 8Q(iv)(a).

“**Anti-Money Laundering Laws**” shall have the meaning given in paragraph 8Q(iii).

“**ASC**” shall mean an accounting standards codification promulgated by the Financial Accounting Standards Board.

“**Attributable Indebtedness**” shall mean, on any date, (i) in respect of any capital lease of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP, and (ii) in respect of any Synthetic Lease Obligation, the capitalized amount of the remaining lease payments under the relevant lease that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP if such lease were accounted for as a capital lease.

“**Bank Agent**” shall mean (i) with respect to the Credit Agreement, Bank of America, N.A., in its capacity as agent under the Credit Agreement, and its successors and

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assigns in that capacity, (ii) with respect to any Refinancing Agreement in respect of the Credit Agreement with a single lender, such lender, and its successors and assigns and (iii) with respect to any Refinancing Agreement in respect of the Credit Agreement with multiple lenders, the lender acting as agent for such lenders, and its successors and assigns in that capacity, or, if there is not a lender acting as such agent, such Person as shall be designated therein as the “Bank Agent” for the purposes of this Agreement, and it shall be a requirement that such a Person be so designated if any of the Indebtedness thereunder is to constitute Senior Debt under this Agreement.

“**Banks**” shall mean Bank of America, N.A. and the other lending parties to the Credit Agreement, and their respective successors and assigns.

“**Bankruptcy Code**” shall mean the Bankruptcy Reform Act of 1978, as codified under Title 11 of the United States Code, and the Bankruptcy Rules promulgated thereunder, as the same may be in effect from time to time.

“**Bankruptcy Law**” shall have the meaning given in clause (viii) of paragraph 7A.

“**Blocked Person**” shall have the meaning given in paragraph 8Q(i).

“**Business Day**” shall mean any day other than a Saturday, a Sunday or a day on which commercial banks in New York City are required or authorized to be closed.

“**Capital Expenditure**” shall mean for any period, the aggregate of all expenditures (whether paid in cash or accrued as liabilities and including in all events amounts expended or capitalized with respect to Capital Lease Obligations and Synthetic Lease Obligations but excluding any amount representing capitalized interest) of the Company and all Subsidiaries during such period determined on a consolidated basis that may properly be classified as capital expenditures in conformity with GAAP, provided that such term shall not include any such expenditure in connection with replacement or repair of assets to the extent that casualty insurance proceeds or the trade-in value of other equipment were used for such expenditure.

“**Capital Lease Obligations**” of any Person shall mean the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

“**Casualty Event**” means, with respect to any property of any Person, any loss of or damage to, or any condemnation or other taking of, such property for which such Person or any of its Subsidiaries receives insurance proceeds, or proceeds of a condemnation award or other compensation.

“**Change of Control**” shall mean:



(i) any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, but excluding any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) other than Richard S. Warzala becomes the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, except that a person or group shall be deemed to have “beneficial ownership” of all securities that such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time (such right, an “option right”)), directly or indirectly, of 25% or more of the Equity Interests of the Company entitled to vote for members of the board of directors or equivalent governing body of the Company on a fully-diluted basis (and taking into account all such securities that such “person” or “group” has the right to acquire pursuant to any option right); or

(ii) during any period of 12 consecutive months, a majority of the members of the board of directors or other equivalent governing body of the Company cease to be composed of individuals (a) who were members of that board or equivalent governing body on the first day of such period, (b) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (a) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (c) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (a) and (b) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body (excluding, in the case of both clause (b) and clause (c), any individual whose initial nomination for, or assumption of office as, a member of that board or equivalent governing body occurs as a result of an actual or threatened solicitation of proxies or consents for the election or removal of one or more directors by any person or group other than a solicitation for the election of one or more directors by or on behalf of the board of directors.

“**CISADA**” shall have the meaning given in paragraph 8Q(i).

“**closing**” or “**date of closing**” shall have the meaning given in paragraph 2A hereof.

“**Code**” shall mean the Internal Revenue Code of 1986, as amended.

“**consolidated**” or “**consolidated basis**” shall mean, when used with reference to financial statement items of the Company and its Subsidiaries or any other Person, such statements or items on a consolidated basis in accordance with the consolidation principles of GAAP.

“**Consolidated EBITDA**” shall mean, for any Reference Period and without duplication, (i) Consolidated Net Income for such period, plus (ii) to the extent deducted in calculating Consolidated Net Income and without duplication (a) income taxes expensed during such period by the Company and its Subsidiaries, (b) Interest Expense during such period, (c) depreciation, amortization and other Non-Cash Charges accrued for such period, (d) non-cash losses from any Casualty Event, Disposition or discontinued operation during such period, (e) stock compensation expense, (f) Transaction expenses to the extent such Transaction expenses

directly impact Consolidated Net Income under GAAP for the applicable Reference Period, (g) to the extent applicable to such Reference Period, relocation expenses incurred between January 1, 2013 and June 30, 2013 in an aggregate amount not to exceed \$250,000, and (h) expenses in connection with the TRW Litigation to the extent the Company is reimbursed for such expenses by the Seller, minus (iii) to the extent such items were added in calculating Consolidated Net Income (a) Extraordinary Gains during such period, (b) gains from any Casualty Event, Disposition, or discontinued operation during such period, (c) interest income, royalty income and other income during such period, (f) federal, state, local and foreign income tax credits of the Company and its Subsidiaries for such period, and (g) all non-cash income items for such period; provided that for the first four quarters following the date of closing, Consolidated EBITDA shall be calculated after giving pro forma effect to the Acquisition.

“**Consolidated Net Income**” shall mean, for any period, for the Company and its Subsidiaries on a consolidated basis in accordance with GAAP, the net income of the Company and its Subsidiaries.

“**Contractual Obligation**” shall mean, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

“**Controlled Entity**” shall mean (i) any of the Subsidiaries of the Company and any of their or the Company’s respective Controlled Affiliates and (ii) if the Company has a parent company, such parent company and its Controlled Affiliates. As used in this definition, “**Control**” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

“**Credit Agreement**” shall mean the Credit Agreement, dated as of October 18, 2013, among the Company, Allied Motion Technologies, B.V., various Subsidiaries of the Company, the Bank Agent and the Banks, as amended, restated, supplemented or otherwise modified from time to time.

“**Default**” shall mean any of the events specified in paragraph 7A, whether or not any requirement for such event to become an Event of Default has been satisfied.

“**Default Rate**” shall mean a rate per annum from time to time equal to the lesser of (i) the maximum rate permitted by applicable law, and (ii) the greater of (a) 16.50%, or (b) 2.00% over the rate of interest publicly announced by JPMorgan Chase Bank, National Association, from time to time in New York City as its Prime Rate.

“**Disposition**” shall mean the sale, transfer, license, lease or other disposition (including any sale and leaseback transaction) of any property by any Person, including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith. The term “**Dispose**” as a verb has a corresponding meaning.

“**Domestic Subsidiary**” shall mean any Subsidiary that is organized under the laws of any political subdivision of the United States.

**“Environmental Laws”** shall mean any and all federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including but not limited to those related to Hazardous Materials.

**“Equity Interests”** shall mean, with respect to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

**“ERISA”** shall mean the Employee Retirement Income Security Act of 1974, as amended.

**“ERISA Affiliate”** means any trade or business (whether or not incorporated) under common control with the Company within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code).

**“ERISA Event”** means (i) a Reportable Event with respect to a Pension Plan; (ii) a withdrawal by the Company or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (iii) a complete or partial withdrawal by the Company or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization; (iv) the filing of a notice of intent to terminate, the treatment of a Plan amendment as a termination under Section 4041 or 4041A of ERISA, or the commencement of proceedings by the PBGC to terminate a Pension Plan or Multiemployer Plan; (v) an event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan or Multiemployer Plan; or (vi) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon the Company or any ERISA Affiliate.

**“Event of Default”** shall mean any of the events specified in paragraph 7A, provided that there has been satisfied any requirement in connection with such event for the giving of notice, or the lapse of time, or the happening of any further condition, event or act.

**“Exchange Act”** shall mean the Securities Exchange Act of 1934, as amended.

**“Extraordinary Gains”** shall mean, with respect to any period, any Extraordinary Gains, as defined under GAAP.

**“Fixed Charge Coverage Ratio”** shall mean, as of any date of determination, the ratio of (a) (i) Consolidated EBITDA for the Reference Period ended on such date, minus (ii) the aggregate amount of all maintenance Capital Expenditures during such Reference Period, to (b) the sum for the Company and its Subsidiaries (determined on a consolidated basis without duplication in accordance with GAAP) of (i) cash taxes and dividends paid, plus (ii) the aggregate amount of Interest Expense for such Reference Period, plus (iii) the aggregate amount of regularly scheduled payments of principal in respect of Indebtedness for borrowed money (including the principal component of any payments in respect of Capital Lease Obligations) for such Reference Period; *provided* that for the three full fiscal quarters following the date of closing, the denominator shall be Annualized.

**“Foreign Subsidiary”** shall have the meaning given in paragraph 5J(ii).

**“FRB”** shall mean the Board of Governors of the Federal Reserve System of the United States.

**“GAAP”** shall mean generally accepted accounting principles in the United States set forth in the Accounting Standards Codification promulgated by the Financial Accounting Standards Board or such other principles as may be approved by a significant segment of the accounting profession in the United States, that are applicable to the circumstances as of the date of determination, consistently applied, except for the purposes of the books and records of Foreign Subsidiaries only, “GAAP” shall mean the International Financial Reporting Standards (“IFRS”) or generally accepted accounting principles applicable in The Netherlands.

**“Globe LDA”** shall mean Globe Motors Portugal Material Eléctrico para a Indústria Automóvel, Lda., a Portuguese private company with limited liability.

**“Governmental Authority”** shall mean

- (a) the government of
  - (i) the United States of America or any state or other political subdivision thereof, or
  - (ii) any other jurisdiction in which the Company or any Subsidiary conducts all or any part of its business, or which asserts jurisdiction over any properties of the Company or any Subsidiary, or
- (b) any entity exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, any such government.

**“Governmental Official”** shall mean any governmental official or employee, employee of any government-owned or government-controlled entity, political party, any official of a political party, candidate for political office, official of any public international organization or anyone else acting in an official capacity.

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“**Guaranty**” shall mean, as to any Person, any (i) obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation payable or performable by another Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation, (b) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or other obligation of the payment or performance of such Indebtedness or other obligation, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation, or (d) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (ii) Lien on any assets of such Person securing any Indebtedness or other obligation of any other Person, whether or not such Indebtedness or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien). The amount of any Guaranty shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guaranty is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term “Guaranty” as a verb has a corresponding meaning.

“**Hazardous Materials**” shall mean any and all pollutants, toxic or hazardous wastes or other substances that might pose a hazard to health and safety, the removal of which may be required or the generation, manufacture, refining, production, processing, treatment, storage, handling, transportation, transfer, use, disposal, release, discharge, spillage, seepage or filtration of which is or shall be restricted, prohibited or penalized by any applicable law including, but not limited to, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum, petroleum products, lead based paint, radon gas or similar restricted, prohibited or penalized substances.

“**IFRS**” shall have the meaning given in the definition of “GAAP”.

“**including**” shall mean, unless the context clearly requires otherwise, “including without limitation”, whether or not so stated.

“**Indebtedness**” shall mean, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP:

(i) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments;

(ii) all direct or contingent obligations of such Person arising under standby letters of credit, bankers’ acceptances, bank guaranties, surety bonds and similar instruments;

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(iii) all net obligations of such Person under Swap Contracts;

(iv) all obligations of such Person to pay the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business and, in each case, not past due for more than 90 days after the date on which such trade account payable was created);

(v) indebtedness secured by a Lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse;

(vi) Capital Lease Obligations and Synthetic Lease Obligations;

(vii) all obligations of such Person to purchase, redeem, retire, defease or otherwise make any payment in respect of any Equity Interest in such Person or any other Person; and

(h) all Guaranties of such Person in respect of any of the foregoing.

For all purposes hereof, the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venturer, unless such Indebtedness is made non-recourse to such Person. The amount of any net obligation under any Swap Contract on any date shall be deemed to be the Swap Termination Value thereof as of such date. The amount of any Capital Lease Obligation or Synthetic Lease Obligation as of any date shall be deemed to be the amount of Attributable Indebtedness in respect thereof as of such date.

“**Institutional Investor**” shall mean any insurance company, commercial, investment or merchant bank, finance company, mutual fund, registered money or asset manager, savings and loan association, credit union, registered investment advisor, pension fund, investment company, licensed broker or dealer, “qualified institutional buyer” (as such term is defined under Rule 144A promulgated under the Securities Act) or “accredited investor” (as such term is defined in Regulation D promulgated under the Securities Act).

“**Interest Expense**” shall mean, for any period, the sum, without duplication, for the Company and its Subsidiaries (determined on a consolidated basis in accordance with GAAP), of the following: (i) all interest in respect of Indebtedness accrued or paid during such period (whether or not actually paid during such period), plus (ii) the net amounts paid (or minus the net amounts received) in respect of interest rate Swap Contracts during such period, excluding reimbursement of legal fees and other similar transaction costs and excluding payments required by reason of the early termination of interest rate Swap Contracts, plus (iii) all fees, including letter of credit fees and expenses, (but excluding reimbursement of legal fees), plus (iv) the amortization of financing costs in connection with Indebtedness.

“**Investment**” shall mean, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (i) the purchase or other acquisition of capital stock or other securities of another Person, (ii) a loan, advance or capital contribution to, Guaranty or assumption of debt of, or purchase or other acquisition of any other debt or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person and any arrangement pursuant to which the investor guaranties Indebtedness of such other Person, or (iii) the purchase or other acquisition (in one transaction or a series of transactions) of assets of another Person that constitute a business unit. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment.

“**Lien**” shall mean any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

“**Material Adverse Effect**” shall mean a (i) material adverse effect on the business, assets, liabilities, operations, prospects or condition, financial or otherwise, of the Company and its Subsidiaries, taken as a whole, (ii) material impairment of any Obligor’s ability to perform any of its obligations under this Agreement, the Subordinated Notes or the other Transaction Documents or (iii) material adverse effect on, or material impairment of, the validity or enforceability of the rights of, or the benefits available to, the holders of any of the Subordinated Notes under this Agreement, the Subordinated Notes or the other Transaction Documents.

“**Material Rental Obligation**” shall mean the obligation of a Group Member to pay rent under any one or more operating leases with respect to any real or personal property that is material to the business of such Group Member.

“**Multiemployer Plan**” means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which the Company or any ERISA Affiliate makes or is obligated to make contributions, or during the preceding five plan years, has made or been obligated to make contributions.

“**Non-Cash Charges**” shall mean, with respect to any calculation of Consolidated Net Income for any period, all non-cash charges related to incentive stock compensation, all non-cash extraordinary losses and charges deducted in such calculation, as determined in accordance with GAAP (excluding inventory and account receivable write-downs and charge-offs), including, without limitation, non-cash recognition of unrealized declines in the market value of marketable securities recorded in accordance with ASC No. 320, non-cash asset impairment charges recorded in accordance with ASC No. 350 and ASC No. 360, and non-cash restructuring charges.

“**Obligors**” shall mean, collectively, the Company and each Subsidiary Guarantor, and “Obligor” shall mean any of them.

“**OFAC**” shall have the meaning given in paragraph 8Q(i).

“**OFAC Listed Person**” shall have the meaning given in paragraph 8Q(i).

“**OFAC Sanctions Program**” shall mean any economic or trade sanction that OFAC is responsible for administering and enforcing. A list of OFAC Sanctions Programs may be found at <http://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx>.

“**Officer’s Certificate**” shall mean a certificate signed in the name of the Company by its Chief Executive Officer, its President, its Chief Financial Officer, one of its Vice Presidents or its Treasurer.

“**Organizational Documents**” shall mean: (i) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); (ii) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement; and (iii) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

“**PBGC**” shall mean the Pension Benefit Guaranty Corporation, or any successor or replacement entity thereto under ERISA.

“**Pension Plan**” means any “employee pension benefit plan” (as such term is defined in Section 3(2) of ERISA), other than a Multiemployer Plan, that is subject to Title IV of ERISA and is sponsored or maintained by the Company or any ERISA Affiliate or to which the Company or any ERISA Affiliate contributes or has an obligation to contribute, or in the case of a multiple employer or other plan described in Section 4064(a) of ERISA, has made contributions at any time during the immediately preceding five plan years.

“**Person**” shall mean and include an individual, a partnership, a joint venture, a corporation, a trust, a limited liability company, an unincorporated organization and a government or any department or agency thereof.

“**PIK Portion**” shall have the meaning given in paragraph 2B.

“**Plan**” shall mean any “employee pension benefit plan” (as such term is defined in section 3 of ERISA) which is or has been established or maintained, or to which contributions are or have been made, by the Company or any ERISA Affiliate.

“**Purchasers**” shall have the meaning given in the introductory paragraph hereof.

**“Reference Period”** shall mean, as of any date of determination, the period of four consecutive fiscal quarters of the Company and its Subsidiaries ending on such date, or if

such date is not a fiscal quarter end date, the period of four consecutive fiscal quarters most recently ended (in each case treated as a single accounting period).

**“Refinancing Agreement”** shall mean an agreement entered into by the Company pursuant to which the Company incurs Refinancing Debt.

**“Refinancing Debt”** shall mean any Indebtedness, the proceeds of which are applied, directly or indirectly, to refinance all or a portion of the Indebtedness under the Credit Agreement, which constitutes “Senior Indebtedness” as defined in the Subordination Agreement.

**“Related Party”** shall mean (i) any officer or director of the Company or any Subsidiary, (ii) any Person directly or indirectly owning any shares of capital stock of the Company or any Subsidiary, (iii) any Person who is related by blood, adoption or marriage to any Person described in clause (i) or (ii), or (iv) any Affiliate of the Company or any Affiliate of any Person described in clause (i), (ii) or (iii); provided, however, that the Company and any Subsidiary of the Company shall not be Related Parties and no holder of a Subordinated Note shall be a Related Party.

**“Reportable Event”** means any of the events set forth in Section 4043(c) of ERISA.

**“Required Holder(s)”** shall mean the holder or holders of more than 50% of the aggregate principal amount of the Subordinated Notes from time to time outstanding (exclusive of any Subordinated Note(s) then held by the Company, any Subsidiary or any of their respective Affiliates).

**“Responsible Officer”** shall mean the chief executive officer, chief operating officer, chief financial officer or chief accounting officer of the Company or any other officer of the Company involved principally in its financial administration or its controllership function.

**“Restricted Payment”** shall mean (i) any dividend or other distribution (whether in cash, securities or other property) with respect to any capital stock or other Equity Interest of any Group Member, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such capital stock or other Equity Interest, or on account of any return of capital to the Company’s or any other Group Member’s stockholders, partners or members (or the equivalent Person thereof), (ii) any redemption, retirement, sinking fund or similar payment, purchase or other acquisition for value, direct or indirect, of any shares of any class of stock of, or other Equity Interest in, any Group Member now or hereafter outstanding, (iii) any payment made to retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire shares of any class of stock of, or other Equity Interest in, any Group Member, (iv) any payment or prepayment of principal of, premium, if any, or interest on, or redemption purchase, retirement, defeasance (including economic or legal defeasance), sinking fund or similar payment with respect to any intercompany Indebtedness owing by the Company or any Subsidiary, and (v) any payment made to any Affiliates of any Group Member in respect of management, consulting or other similar services provided to any Group Member; provided, however, “Restricted Payment” shall not include any payment for the

purchase or redemption of shares of stock of the Company held by (a) any employee of the Company or any of its Subsidiaries if the purpose of such payment is provide funds for the payment of taxes with respect to shares of the Company held by such employee, and (b) any employee stock ownership plan or trust if the purpose of such payment is to provide funds for payments by such plan or trust of payments that are required to be made to employees of the Company or its Subsidiaries.

**“Securities Act”** shall mean the Securities Act of 1933, as amended.

**“Seller”** shall mean Safran USA, Inc.

**“Senior Debt”** shall mean “Senior Indebtedness” as defined in the Subordination Agreement.

**“Significant Holder”** shall mean (i) each Purchaser, so long as such Purchaser or one of its Affiliates shall hold (or be committed under this Agreement to purchase) any Subordinated Note, or (ii) any other Person which, together with its Affiliates, is the holder of at least 5% of the aggregate principal amount of the Subordinated Notes from time to time outstanding.

**“Solvent”** shall mean, with respect to any Person on a particular date, that, at fair valuations, (i) the sum of such Person’s assets is greater than (a) all of such Person’s consolidated liabilities (including contingent, subordinated, unmatured and unliquidated liabilities) and (b) the amount required to pay such liabilities as they become absolute, matured or otherwise become due in the normal course of business, (ii) such Person has the ability to pay its debts and liabilities (including contingent, subordinated, unmatured and unliquidated liabilities) as they become absolute, matured or otherwise become due in the normal course of business and (iii) such Person does not have an unreasonably small amount of capital with which to conduct its business. The amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

**“Subordinated Notes”** shall have the meaning given in Article 1 hereof.

**“Subordination Agreement”** shall mean the Subordination Agreement dated as of the date hereof among the Purchasers, the Bank Agent, the Obligors and various Subsidiaries of the Company.

**“Subsidiary”** of a Person shall mean a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of securities or other interests having ordinary voting power for the election of directors or other governing body (other than securities

or interests having such power only by reason of the happening of a contingency) are at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a “Subsidiary” or to “Subsidiaries” shall refer to a Subsidiary or Subsidiaries of the Company.

“**Subsidiary Guarantor**” shall mean each of Allied Motion Control Corporation, a Colorado corporation, Motor Products Corporation, a Delaware corporation, Emoteq Corporation, a Colorado corporation, AMOT I, INC., a Delaware corporation, AMOT II, INC., a Delaware corporation, AMOT III, INC., a Delaware corporation, Stature Electric, Inc., a Pennsylvania corporation, and Globe Motors, Inc., a Delaware corporation, and each other Subsidiary that is or is required to be a party to the Subsidiary Guaranty pursuant to the terms hereof.

“**Subsidiary Guaranty**” shall have the meaning given in paragraph 3A(ii) hereof.

“**Swap Contract**” shall mean (i) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (ii) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a “Master Agreement”), including any such obligations or liabilities under any Master Agreement.

“**Swap Termination Value**” shall mean, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (i) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (ii) for any date prior to the date referenced in clause (i), the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts.

“**Synthetic Lease Obligation**” shall mean the monetary obligation of a Person under (i) a so-called synthetic, off-balance sheet or tax retention lease, or (ii) an agreement for the use or possession of property creating obligations that do not appear on the balance sheet of such Person but which, upon the insolvency or bankruptcy of such Person, would be characterized as the indebtedness of such Person (without regard to accounting treatment).

“**Target**” shall mean Globe Motors, Inc., a Delaware corporation.

“**Total Funded Indebtedness**” shall mean, with respect to the Company and its Subsidiaries, the sum, without duplication, of (i) the aggregate amount of Indebtedness of the Company and its Subsidiaries determined on a consolidated basis in accordance with GAAP, relating to (a) the borrowing of money or the obtaining of credit, including the issuance of notes

or bonds, (b) the deferred purchase price of assets (other than trade payables incurred in the ordinary course of business), (c) Synthetic Lease Obligations and Capital Lease Obligations, and (d) the maximum drawing amount of all letters of credit outstanding, plus (ii) Indebtedness of the type referred to in clause (i) of another Person Guaranteed by the Company or any of its Subsidiaries.

“**Total Leverage Ratio**” shall mean, as of any date of determination, the ratio of (i) Total Funded Indebtedness (which shall include the “L/C Obligations” (as defined in the Credit Agreement)) of the Company and its Subsidiaries outstanding on such date to (ii) Consolidated EBITDA for the Reference Period ended on such date (calculated for the first four fiscal quarters following the date of closing after giving pro forma effect to the Acquisition).

“**Transaction Documents**” shall mean this Agreement, the Subordinated Notes, the Subsidiary Guaranty, the VCOC Letter, the Subordination Agreement and the other agreements, documents, certificates and instruments now or hereafter executed or delivered by the Company or any Subsidiary or Affiliate in connection with this Agreement.

“**Transaction Expenses**” shall mean fees, costs and expenses paid or reimbursed in cash by the Company or any other “Borrower” under the Credit Agreement before or within 180 days after the date of closing in connection with the Transactions.

“**Transactions**” mean the transactions contemplated by (i) the Transaction Documents, (ii) the Acquisition Agreement and (iii) the Credit Agreement.

“**Transferee**” shall mean any direct or indirect transferee of all or any part of any Subordinated Note purchased by any Purchaser under this Agreement.

“**TRW Litigation**” shall mean the lawsuit pending before the High Court of Justice, Queen’s Beach Division, London Mercantile Court, Claim Number 2011-645, between Globe Inc. and Globe LDA, as claimants, and TRW Lucas Varity Electric Steering Limited, as defendant, and all proceedings related thereto or arising from the same facts and circumstances.

“**USA PATRIOT Act**” shall mean United States Public Law 107-56, Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

“**U.S. Economic Sanctions**” shall have the meaning given in paragraph 8Q(i).

“VCOE Letter” shall have the meaning given in paragraph 3A(iii) hereof.

“Voidable Transfer” shall have the meaning given in paragraph 10F hereof.

“Wholly-Owned Subsidiary” shall mean any Subsidiary of the Company all of the outstanding capital stock or other equity interests of every class of which is owned by the Company or another Wholly-Owned Subsidiary of the Company, and which has outstanding no options, warrants, rights or other securities entitling the holder thereof (other than the Company

or a Wholly-Owned Subsidiary) to acquire shares of capital stock or other Equity Interests of such Subsidiary.

#### 11C. Accounting and Legal Principles, Terms and Determinations.

(i) Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all determinations with respect to accounting matters hereunder shall be made, and all unaudited financial statements and certificates and reports as to financial matters required to be furnished hereunder shall be prepared, in accordance with GAAP, applied on a basis consistent with the most recent audited consolidated financial statements of the Company and its Subsidiaries delivered pursuant to clause (iii) of paragraph 5A or, if no such statements have been so delivered, the most recent audited financial statements referred to in clause (i) of paragraph 8B. Any reference herein to any specific citation, section or form of law, statute, rule or regulation shall refer to such new, replacement or analogous citation, section or form should such citation, section or form be modified, amended or replaced. For purposes of determining compliance with this Agreement (including, without limitation, Article 5, Article 6 and the definition of “Indebtedness”), any election by the Company to measure any financial liability using fair value (as permitted by ASC No. 825-10-25 — *Fair Value Option*, International Accounting Standard 39 — *Financial Instruments: Recognition and Measurement* or any similar accounting standard) shall be disregarded and such determination shall be made as if such election had not been made.

(ii) If at any time any change in GAAP (including the adoption of IFRS) would affect the computation of any financial ratio or requirement set forth in this Agreement, and either the Company or the Required Holder(s) shall so request, the Company and the holders of the Subordinated Notes shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Required Lenders); provided that, until so amended, (a) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (b) the Company shall provide to the holders of the Subordinated Notes financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

#### 12. MISCELLANEOUS.

**12A. Subordinated Note Payments.** The Company agrees that, so long as any Purchaser shall hold any Subordinated Note, it will make payments of principal of, interest on and any Yield-Maintenance Amount payable with respect to such Subordinated Note, and any other amounts becoming due hereunder or under any other Transaction Document, which comply with the terms of this Agreement, by wire transfer of immediately available funds for credit (not later than 12:00 noon, New York City time, on the date due) to such Purchaser’s account or accounts as specified in the Purchaser Schedule attached hereto, or such other account or accounts in the United States as such Purchaser may from time to time designate in writing, notwithstanding any contrary provision herein or in any Subordinated Note with respect to the place of payment. Each Purchaser agrees that, before disposing of any Subordinated Note, such Purchaser will make a notation thereon (or on a schedule attached thereto) of all principal

payments previously made thereon and of the date to which interest thereon has been paid. The Company agrees to afford the benefits of this paragraph 12A to any Transferee which shall have made the same agreement as each Purchaser has made in this paragraph 12A. No holder shall be required to present or surrender any Subordinated Note or make any notation thereon, except that upon the written request of the Company made concurrently with or reasonably promptly after the payment or prepayment in full of any Subordinated Note, the applicable holder shall surrender such Subordinated Note for cancellation, reasonably promptly after such request, to the Company at its principal office.

**12B. Expenses.** Whether or not the transactions contemplated hereby shall be consummated, the Company shall pay, and save each Purchaser and any Transferee harmless against liability for the payment of, all out-of-pocket expenses arising in connection with such transactions, including:

(i) (a) all stamp and documentary taxes and similar charges, (b) costs of obtaining a private placement number from Standard and Poor’s Ratings Group for the Subordinated Notes and (c) fees and expenses of brokers, agents, dealers, investment banks or other intermediaries or placement agents, in each case as a result of the execution and delivery of this Agreement or the other Transaction Documents or the issuance of the Subordinated Notes;

(ii) document production and duplication charges and the fees and expenses of any special counsel engaged by such Purchaser or such Transferee in connection with (a) this Agreement, any of the other Transaction Documents and the transactions contemplated hereby or thereby and (b) any subsequent proposed waiver, amendment or modification of, or proposed consent under, this Agreement or any other Transaction Document, whether or not such proposed waiver, amendment, modification or consent shall be effected or granted;

(iii) the costs and expenses, including attorneys’ and financial advisory fees, incurred by such Purchaser or such Transferee in enforcing (or determining whether or how to enforce) any rights under this Agreement, the Subordinated Notes or any other Transaction Document or in responding to any subpoena or other legal process or informal investigative demand issued in connection with this Agreement or any other Transaction Document or the transactions contemplated hereby or by reason of your or such Transferee’s having acquired any Subordinated Note, including without limitation costs and expenses incurred in any workout, restructuring or renegotiation proceeding or bankruptcy case; and

(iv) any judgment, liability, claim, order, decree, cost, fee, expense, action or obligation resulting from the consummation of the transactions contemplated hereby, including the use of the proceeds of the Subordinated Notes by the Company.

The Company also will promptly pay or reimburse each Purchaser or holder of a Subordinated Note (upon demand, in accordance with each such Purchaser's or holder's written instruction) for all fees and costs paid or payable by such Purchaser or holder to the Capital Markets & Investment Analysis Office of the National Association of Insurance Commissioners

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in connection with the initial filing of this Agreement and all related documents and financial information, and all subsequent annual and interim filings of documents and financial information related to this Agreement, with such Capital Markets & Investment Analysis Office or any successor organization acceding to the authority thereof.

The obligations of the Company under this paragraph 12B shall survive the transfer of any Subordinated Note or portion thereof or interest therein by any Purchaser or Transferee and the payment of any Subordinated Note.

**12C. Consent to Amendments.** This Agreement may be amended, and the Company may take any action herein prohibited, or omit to perform any act herein required to be performed by it, if the Company shall obtain the written consent to such amendment, action or omission to act, of the Required Holder(s) except that, without the written consent of the holder or holders of all Subordinated Notes at the time outstanding, no amendment to this Agreement shall (i) change the maturity of any Subordinated Note, or change the principal of, or the rate, method of computation or time of payment of interest on or any Yield-Maintenance Amount payable with respect to any Subordinated Note, or affect the time, amount or allocation of any prepayments, in each case in any manner detrimental to, or disproportionate with respect to, any holder of a Subordinated Note, or (ii) change the proportion of the principal amount of the Subordinated Notes required with respect to any consent, amendment, waiver or declaration. Each holder of any Subordinated Note at the time or thereafter outstanding shall be bound by any consent authorized by this paragraph 12C, whether or not such Subordinated Note shall have been marked to indicate such consent, but any Subordinated Notes issued thereafter may bear a notation referring to any such consent. No course of dealing between the Company and the holder of any Subordinated Note nor any delay in exercising any rights hereunder or under any other Transaction Document shall operate as a waiver of any rights of any holder of any Subordinated Note. Without limiting the generality of the foregoing, no negotiations or discussions in which any holder of any Subordinated Note may engage regarding any possible amendments, consents or waivers with respect to this Agreement or any other Transaction Document shall constitute a waiver of any Default or Event of Default, any term of this Agreement or any other Transaction Document or any rights of any such holder under this Agreement or any other Transaction Document. As used herein and in the Subordinated Notes, the term "this Agreement" and references thereto shall mean this Agreement as it may from time to time be amended or supplemented.

**12D. Form, Registration, Transfer and Exchange of Subordinated Notes; Lost Subordinated Notes.** The Subordinated Notes are issuable as registered notes without coupons in denominations of at least \$100,000, except as may be necessary to (i) reflect any principal amount not evenly divisible by \$100,000 or (ii) enable the registration of transfer by a holder of its entire holding of Subordinated Notes; provided, however, that no such minimum denomination shall apply to Subordinated Notes issued upon transfer by any holder of the Subordinated Notes to any other entity or group of Affiliates with respect to which the Subordinated Notes so issued or transferred shall be managed by a single entity. The Company shall keep at its principal office a register in which the Company shall provide for the registration of Subordinated Notes and of transfers of Subordinated Notes. Upon surrender for registration of transfer of any Subordinated Note at the principal office of the Company, the Company shall promptly, at its expense, execute and deliver one or more new Subordinated Notes of like tenor

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and of a like aggregate principal amount, registered in the name of such transferee or transferees. At the option of the holder of any Subordinated Note, such Subordinated Note may be exchanged for other Subordinated Notes of like tenor and of any authorized denominations, of a like aggregate principal amount, upon surrender of the Subordinated Note to be exchanged at the principal office of the Company. Whenever any Subordinated Notes are so surrendered for exchange, the Company shall promptly, at its expense, execute and deliver the Subordinated Notes which the holder making the exchange is entitled to receive. Every Subordinated Note surrendered for registration of transfer or exchange shall be duly endorsed, or be accompanied by a written instrument of transfer duly executed, by the holder of such Subordinated Note or such holder's attorney duly authorized in writing. Any Subordinated Note or Subordinated Notes issued in exchange for any Subordinated Note or upon transfer thereof shall carry the rights to unpaid interest and interest to accrue which were carried by the Subordinated Note so exchanged or transferred, so that neither gain nor loss of interest shall result from any such transfer or exchange. Upon receipt of written notice from the holder of any Subordinated Note of the loss, theft, destruction or mutilation of such Subordinated Note and, in the case of any such loss, theft or destruction, upon receipt of such holder's unsecured indemnity agreement, or in the case of any such mutilation upon surrender and cancellation of such Subordinated Note, the Company will make and deliver a new Subordinated Note, of like tenor, in lieu of the lost, stolen, destroyed or mutilated Subordinated Note.

**12E. Persons Deemed Owners; Participations.** Prior to due presentment for registration of transfer, the Company may treat the Person in whose name any Subordinated Note is registered as the owner and holder of such Subordinated Note for the purpose of receiving payment of principal of, interest on and any Yield-Maintenance Amount payable with respect to such Subordinated Note and for all other purposes whatsoever, whether or not such Subordinated Note shall be overdue, and the Company shall not be affected by notice to the contrary. Subject to the preceding sentence, the holder of any Subordinated Note may from time to time grant participations in such Subordinated Note to any Person on such terms and conditions as may be determined by such holder in its sole and absolute discretion.

**12F. Confidential Information.** For the purposes of this paragraph 12F, "Confidential Information" means information delivered to any Purchaser by or on behalf of the Company or any Subsidiary in connection with the transactions contemplated by or otherwise pursuant to this Agreement that is proprietary in nature and that was clearly marked or labeled or otherwise adequately identified when received by such Purchaser as being confidential information of the Company or such Subsidiary, provided that such term does not include information that (a) was publicly known or otherwise known to such Purchaser prior to the time of such disclosure, (b) subsequently becomes publicly known through no act or omission by such Purchaser or any person acting on such Purchaser's behalf, (c) otherwise becomes known to such Purchaser other than through disclosure by the Company or any Subsidiary or (d) constitutes financial statements delivered to such Purchaser under paragraph 5A that are otherwise publicly available. Each Purchaser will maintain the confidentiality of such Confidential Information in accordance with procedures adopted by such Purchaser in good faith to protect confidential information of third parties delivered to such Purchaser, provided that such Purchaser may deliver or disclose Confidential Information to (i) its directors, officers,



advisors who agree to hold confidential the Confidential Information substantially in accordance with the terms of this paragraph 12F, (iii) any other holder of any Subordinated Note or any other security of the Company, (iv) any Institutional Investor to which it sells or offers to sell such Subordinated Note or any part thereof or any participation therein (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of this paragraph 12F), (v) any Person from which it offers to purchase any security of the Company (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of this paragraph 12F), (vi) any federal or state regulatory authority having jurisdiction over such Purchaser, (vii) the National Association of Insurance Commissioners or any successor thereto (the “NAIC”) or the Capital Markets & Investment Analysis Office of the NAIC or any successor to such Office or, in each case, any similar organization, or any nationally recognized rating agency that requires access to information about such Purchaser’s investment portfolio, or (viii) any other Person to which such delivery or disclosure may be necessary or appropriate (w) to effect compliance with any law, rule, regulation or order applicable to such Purchaser, (x) in response to any subpoena or other legal process, (y) in connection with any litigation to which such Purchaser is a party or (z) if an Event of Default has occurred and is continuing, to the extent such Purchaser may reasonably determine such delivery and disclosure to be necessary or appropriate in the enforcement or for the protection of the rights and remedies under such Purchaser’s Subordinated Notes, this Agreement or any other Transaction Document. Each holder of a Subordinated Note, by its acceptance of a Subordinated Note, will be deemed to have agreed to be bound by and to be entitled to the benefits of this paragraph 12F as though it were a party to this Agreement. On reasonable request by the Company in connection with the delivery to any holder of a Subordinated Note of information required to be delivered to such holder under this Agreement or requested by such holder (other than a holder that is a party to this Agreement or its nominee), such holder will enter into an agreement with the Company embodying the provisions of this paragraph 12F.

In the event that as a condition to receiving access to information relating to the Company or its Subsidiaries in connection with the transactions contemplated by or otherwise pursuant to this Agreement, any Purchaser or holder of a Subordinated Note is required to agree to a confidentiality undertaking (whether through IntraLinks, another secure website, a secure virtual workspace or otherwise) which is different from this paragraph 12F, this paragraph 12F shall not be amended thereby and, as between such Purchaser or such holder and the Company, this paragraph 12F shall supersede any such other confidentiality undertaking.

**12G. Survival of Representations and Warranties; Entire Agreement.** All representations and warranties contained herein or made in writing by or on behalf of the Company in connection herewith shall survive the execution and delivery of this Agreement, the Subordinated Notes and the other Transaction Documents, the transfer by any Purchaser of any Subordinated Note or portion thereof or interest therein and the payment of any Subordinated Note, and may be relied upon by any Transferee, regardless of any investigation made at any time by or on behalf of any Purchaser or any Transferee. Subject to the preceding sentence, this Agreement, the Subordinated Notes and the other Transaction Documents embody the entire agreement and understanding between the Purchasers and the Company with respect to the subject matter hereof and supersede all prior agreements and understandings relating to such subject matter.

**12H. Successors and Assigns.** All covenants and other agreements in this Agreement by or on behalf of any of the parties hereto shall bind and inure to the benefit of the respective successors and assigns of the parties hereto (including, without limitation, any Transferee) whether so expressed or not.

**12I. Independence of Covenants; Beneficiaries of Covenants.** All covenants hereunder shall be given independent effect so that if a particular action or condition is prohibited by any one of such covenants, the fact that it would be permitted by an exception to, or otherwise be in compliance within the limitations of, another covenant shall not (i) avoid the occurrence of a Default or Event of Default if such action is taken or such condition exists or (ii) in any way prejudice an attempt by the holder of any Subordinated Note to prohibit through equitable action or otherwise the taking of any action by the Company or any Subsidiary which would result in a Default or Event of Default. The covenants of the Company contained in this Agreement are intended to be only for the benefit of the Purchasers and the holders from time to time of the Subordinated Notes, and their respective successors and assigns (including, without limitation, any Transferee), and are not intended to be for the benefit of, or enforceable by, any other Person.

**12J. Notices.** All written communications provided for hereunder shall be sent by first class mail or nationwide overnight delivery service (with charges prepaid) and (i) if to any Purchaser, addressed to such Purchaser at the address specified for such communications in the Purchaser Schedule attached hereto, or at such other address as such Purchaser shall have specified to the Company in writing, (ii) if to any other holder of any Subordinated Note, addressed to such other holder at such address as such other holder shall have specified to the Company in writing or, if any such other holder shall not have so specified an address to the Company, then addressed to such other holder in care of the last holder of such Subordinated Note which shall have so specified an address to the Company, and (iii) if to the Company, addressed to it at 455 Commerce Drive, Suite 4, Amherst, New York 14228, Attention: Chief Financial Officer, or at such other address as the Company shall have specified to the holder of each Subordinated Note in writing; provided, however, that any such communication to the Company may also, at the option of the holder of any Subordinated Note, be delivered by any other means either to the Company at its address specified above or to any officer of the Company.

**12K. Payments Due on Non-Business Days.** Anything in this Agreement or the Subordinated Notes to the contrary notwithstanding, any payment of principal of, interest on or Yield-Maintenance Amount payable with respect to any Subordinated Note that is due on a date other than a Business Day shall be made on the next succeeding Business Day without including the additional days elapsed in the computation of the interest payable on such next succeeding Business Day; provided that if the maturity date of, or any date for a principal prepayment on, any Subordinated Note is other than a Business Day, then all payments due on such Subordinated Note on such maturity date or principal prepayment date that are to be made on such next succeeding Business Day shall include such additional days elapsed in the computation of the interest payable on such next succeeding Business Day.

**12L. Satisfaction Requirement.** If any agreement, certificate or other writing, or any action taken or to be taken, is by the terms of this Agreement required to be satisfactory to any

Purchaser, to any holder of a Subordinated Note or to the Required Holder(s), the determination of such satisfaction shall be made by such Purchaser, such holder or the Required Holder(s), as the case may be, in the sole and exclusive judgment (exercised in good faith) of the Person or Persons making such determination.

**12M. GOVERNING LAW. THIS AGREEMENT SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, AND THE RIGHTS OF THE PARTIES UNDER THIS AGREEMENT OR IN CONNECTION WITH ANY CLAIMS OR DISPUTES ARISING OUT OF OR RELATING TO THIS AGREEMENT (WHETHER SOUNDING IN CONTRACT OR TORT) SHALL BE GOVERNED BY, THE LAW OF THE STATE OF NEW YORK (EXCLUDING ANY CONFLICTS OF LAW RULES WHICH WOULD OTHERWISE CAUSE THIS AGREEMENT TO BE CONSTRUED OR ENFORCED IN ACCORDANCE WITH, OR THE RIGHTS OF THE PARTIES TO BE GOVERNED BY, THE LAWS OF ANY OTHER JURISDICTION).**

**12N. SUBMISSION TO JURISDICTION; WAIVER OF JURY TRIAL. ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT, THE SUBORDINATED NOTES OR ANY OTHER TRANSACTION DOCUMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK IN THE BOROUGH OF MANHATTAN OR OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK AND, BY EXECUTION AND DELIVERY OF THIS AGREEMENT, THE COMPANY HEREBY IRREVOCABLY ACCEPTS, UNCONDITIONALLY, THE JURISDICTION OF THE AFORESAID COURTS WITH RESPECT TO ANY SUCH ACTION OR PROCEEDING. THE COMPANY FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OUT OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO IT AT ITS ADDRESS PROVIDED IN PARAGRAPH 12J, SUCH SERVICE TO BECOME EFFECTIVE UPON RECEIPT. THE COMPANY AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN ANY OTHER JURISDICTION BY SUIT ON SUCH JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING HEREIN SHALL AFFECT THE RIGHT OF ANY HOLDER OF A SUBORDINATED NOTE TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST THE COMPANY IN ANY OTHER JURISDICTION. THE COMPANY HEREBY IRREVOCABLY WAIVES ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY OF THE AFORESAID ACTIONS OR PROCEEDINGS ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, THE SUBORDINATED NOTES, OR THE OTHER TRANSACTION DOCUMENTS BROUGHT IN ANY OF THE AFORESAID COURTS AND HEREBY FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. TO THE EXTENT THAT THE COMPANY HAS OR MAY HEREAFTER ACQUIRE IMMUNITY FROM JURISDICTION OF ANY COURT OR FROM ANY LEGAL PROCESS (WHETHER**

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**THROUGH SERVICE OF NOTICE, ATTACHMENT PRIOR TO JUDGMENT, ATTACHMENT IN AID OF EXECUTION, EXECUTION OR OTHERWISE WITH RESPECT TO ITSELF OR ITS PROPERTY), THE COMPANY HEREBY IRREVOCABLY WAIVES SUCH IMMUNITY IN RESPECT OF ITS OBLIGATIONS UNDER THIS AGREEMENT, THE SUBORDINATED NOTES OR THE OTHER TRANSACTION DOCUMENTS. THE COMPANY AND EACH PURCHASER HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE SUBORDINATED NOTES, THE OTHER TRANSACTION DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED THEREBY (INCLUDING IN CONNECTION WITH ANY CLAIMS OR DISPUTES RELATING THERETO, WHETHER SOUNDING IN CONTRACT OR TORT).**

**12O. Severability.** Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

**12P. Descriptive Headings; Advice of Counsel; Interpretation; Time of the Essence.** The descriptive headings of the several paragraphs of this Agreement are inserted for convenience only and do not constitute a part of this Agreement. Each party to this Agreement represents to the other parties to this Agreement that such party has been represented by counsel in connection with this Agreement, the Subordinated Notes and the other Transaction Documents, that such party has discussed this Agreement, the Subordinated Notes and the other Transaction Documents with its counsel and that any and all issues with respect to this Agreement, the Subordinated Notes and the other Transaction Documents have been resolved as set forth herein and therein. No provision of this Agreement, the Subordinated Notes or any other Transaction Document shall be construed against or interpreted to the disadvantage of any party hereto by any court or other governmental or judicial authority by reason of such party having or being deemed to have structured, drafted or dictated such provision. Time is of the essence in the performance of this Agreement and the other Transaction Documents.

**12Q. Counterparts; Facsimile or Electronic Signatures.** This Agreement may be executed in any number of counterparts (or counterpart signature pages), each of which counterparts shall be an original but all of which together shall constitute one instrument. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or electronic transmission shall be effective as delivery of a manually executed counterpart of this Agreement.

**12R. Severalty of Obligations.** The sales of Subordinated Notes to the Purchasers are to be several sales, and the obligations of the Purchasers under this Agreement are several obligations. No failure by any Purchaser to perform its obligations under this Agreement shall relieve any other Purchaser or the Company of any of its obligations hereunder, and no Purchaser shall be responsible for the obligations of, or any action taken or omitted by, any other Purchaser hereunder.

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**12S. Independent Investigation.** Each Purchaser represents to and agrees with each other Purchaser that it has made its own independent investigation of the condition (financial and otherwise), prospects and affairs of the Company and its Subsidiaries in connection with its purchase of the Subordinated Notes hereunder and has made and shall continue to make its own appraisal of the creditworthiness of the Company. No holder of Subordinated

Notes shall have any duties or responsibility to any other holder of Subordinated Notes, either initially or on a continuing basis, to make any such investigation or appraisal or to provide any credit or other information with respect thereto. No holder of Subordinated Notes is acting as agent or in any other fiduciary capacity on behalf of any other holder of Subordinated Notes.

**12T. Directly or Indirectly.** Where any provision in this Agreement refers to actions to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether the action in question is taken directly or indirectly by such Person.

**12U. Transaction References.** The Company agrees that Prudential Capital Partners may (a) refer to its role in originating the purchase of the Subordinated Notes from the Company, as well as the identity of the Company and the aggregate principal amount and issue date of the Subordinated Notes, on its internet site or in marketing materials, press releases, published "tombstone" announcements or any other print or electronic medium and (b) display the Company's corporate logo in conjunction with any such reference.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK. SIGNATURES ON THE FOLLOWING PAGE.]

**12W. Binding Agreement.** When this Agreement is executed and delivered by the Company and each of the Purchasers it shall become a binding agreement between the Company and each of the Purchasers.

Very truly yours,

**ALLIED MOTION TECHNOLOGIES INC.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

The foregoing Agreement is hereby accepted as of the date first above written.

**PRUDENTIAL CAPITAL PARTNERS IV, L.P.**

By: Lake Street Partners IV, L.P. (its General Partner)

By: \_\_\_\_\_  
Vice President

**PRUDENTIAL CAPITAL PARTNERS MANAGEMENT FUND IV, L.P.**

By: Market Street Holdings IV, LLC (its General Partner)

By: Prudential Investment Management, Inc. (its Managing Member)

By: \_\_\_\_\_  
Vice President

*Allied Motion Technologies Inc.  
Signature Page to Note Agreement*

**PRUDENTIAL CAPITAL PARTNERS (PARALLEL FUND) IV, L.P.**

By: Lake Street Partners IV, L.P. (its General Partner)

By: \_\_\_\_\_  
Vice President

**[FORM OF SUBORDINATED NOTE]**

THIS SUBORDINATED NOTE IS SUBORDINATED TO THE PRIOR PAYMENT AND SATISFACTION IN CASH OF ALL SENIOR INDEBTEDNESS, AS DEFINED IN THE SUBORDINATION AGREEMENT DATED AS OF OCTOBER 18, 2013 AS THE SAME MAY BE AMENDED, MODIFIED, RESTATED OR SUPPLEMENTED FROM TIME TO TIME (THE "SUBORDINATION AGREEMENT"), TO THE EXTENT, AND IN THE MANNER PROVIDED IN THE SUBORDINATION AGREEMENT.

**ALLIED MOTION TECHNOLOGIES INC.****14.50% SENIOR SUBORDINATED NOTE DUE OCTOBER 18, 2019**

No.  
\$

[Date]

FOR VALUE RECEIVED, the undersigned, ALLIED MOTION TECHNOLOGIES INC., a corporation organized and existing under the laws of the State of Colorado (herein called the "Company"), hereby promises to pay to \_\_\_\_\_, or registered assigns, the principal sum of (1) \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_), plus (2) such amounts of interest on this Subordinated Note which have been added to the principal balance of this Subordinated Note pursuant to the provisions of paragraph 2B of the Agreement (as defined below), on October 18, 2019, with interest (computed on the basis of a 360-day year—30-day month) (a) on the unpaid balance thereof at the rate of 14.50% per annum from the date hereof, payable quarterly on the last day of March, June, September and December in each year, commencing December 31, 2013, until the principal hereof shall have become due and payable, and (b) on any overdue payment (including any overdue prepayment) of principal, any overdue payment of Yield-Maintenance Amount, any overdue payment of interest (to the extent permitted by applicable law), and, during any period when an Event of Default shall be in existence, at the election of the Required Holder(s), the entire unpaid principal balance hereof, at a rate per annum from time to time equal to the Default Rate, payable quarterly as aforesaid (or, at the option of the registered holder hereof, on demand). The "Default Rate" shall mean a rate per annum from time to time equal to the lesser of (i) the maximum rate permitted by applicable law, and (ii) the greater of (a) 16.50% or (b) 2.00% over the rate of interest publicly announced by JPMorgan Chase Bank, National Association, from time to time in New York City as its Prime Rate.

Payments of principal of, interest on and any Yield-Maintenance Amount payable with respect to this Subordinated Note are to be made at the main office of JPMorgan Chase Bank, National Association, in New York City or at such other place as the holder hereof shall designate to the Company in writing, in lawful money of the United States of America.

This Subordinated Note is one of a series of Senior Subordinated Notes (herein called the "Subordinated Notes") issued pursuant to a Note Agreement, dated as of October 18, 2013 (herein called the "Agreement"), among the Company and the original purchasers of the Subordinated Notes named in the Purchaser Schedule attached thereto and is entitled to the benefits thereof.

This Subordinated Note is a registered Subordinated Note and, as provided in the Agreement, upon surrender of this Subordinated Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Subordinated Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Subordinated Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company shall not be affected by any notice to the contrary.

This Subordinated Note is subject to optional prepayment, in whole or from time to time in part, on the terms specified in the Agreement.

In case an Event of Default shall occur and be continuing, the principal of this Subordinated Note may be declared or otherwise become due and payable in the manner and with the effect provided in the Agreement.

The Company and any and all endorsers, guarantors and sureties severally waive grace, demand, presentment for payment, notice of dishonor or default, notice of intent to accelerate, notice of acceleration (except to the extent required in the Agreement), protest and diligence in collecting in connection with this Subordinated Note, whether now or hereafter required by applicable law.

Capitalized terms used herein which are defined in the Agreement and not otherwise defined herein shall have the meanings as defined in the Agreement.

**THIS SUBORDINATED NOTE IS INTENDED TO BE PERFORMED IN THE STATE OF NEW YORK AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAW OF SUCH STATE (EXCLUDING ANY CONFLICTS OF LAW RULES WHICH WOULD OTHERWISE CAUSE THIS NOTE TO BE CONSTRUED OR ENFORCED IN ACCORDANCE WITH THE LAWS OF ANY OTHER JURISDICTION).**

**ALLIED MOTION TECHNOLOGIES INC.**

By: \_\_\_\_\_

Title: \_\_\_\_\_



Allied Motion Technologies Inc.  
455 Commerce Drive, Suite 4  
Amherst, New York 14228  
Phone: 716-242-8634

PRESS RELEASE

FOR IMMEDIATE RELEASE

Release: October 21, 2013  
Contact: Rob Maida or Sue Chiarmonte  
Stock Symbol: AMOT (NASDAQ Capital Market)

**ALLIED MOTION TECHNOLOGIES INC.  
COMPLETES GLOBE MOTORS, INC. ACQUISITION**

**Amherst, NY** — **Allied Motion Technologies Inc.** (NASDAQ: AMOT) announced today that, effective Friday, October 18, 2013, it completed the acquisition of Globe Motors, Inc. from Safran USA, Inc., on a cash free, debt free basis, for approximately \$90 million in cash.

Founded in 1940, Globe Motors employs more than 500 employees worldwide and is headquartered in Dayton, Ohio with additional operations in Dothan, Alabama, Reynosa, Mexico and Oporto, Portugal. Globe Motors has a well-established and strong industry reputation as a high quality provider of customized and innovative motion solutions to meet the needs of its customers in selected target market segments. Globe Motors recorded revenues of approximately \$106 million for the year ended December 31, 2012 and approximately \$114 million for the trailing twelve month period ended September 30, 2013. Allied Motion expects to provide unaudited pro-forma earnings for Globe Motors with the release of its 2013 third quarter results currently planned for Tuesday, November 12, 2013. Allied Motion will file audited consolidated financial statements of Globe and its subsidiaries in an amendment to Form 8-K to be filed no later than January 3, 2014.

As stated when the acquisition was announced, "Globe Motors has a solid financial track record that will be accretive to our earnings and will also more than double the size of Allied Motion in terms of revenues", commented Dick Warzala, President and Chief Executive Officer of Allied Motion. "Strategically, Globe fits very well with our company, as it creates critical mass and expands our global reach while providing the opportunity for us to leverage the combined technology/know-how, sales and marketing channels, material sourcing and production capabilities/footprint of both companies. While there is some overlap in technology and in the customer base, the companies are very complementary to each other and will provide additional market diversification and cross-selling opportunities for the combined entity in the future. We are enthusiastic about the prospects of our company and confident that the utilization of Allied Systematic Tools will lead us to continuous improvements in Quality, Delivery, Cost and Innovation and will create significant value in the future for all stakeholders of both Globe and Allied. Last but not least, we at Allied Motion are excited to have the very professional and experienced management team and employees of Globe join the Allied Team as we continue our journey in providing *Motion Solutions That Change the Game* and create significant value for our customers in our served market segments."

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About Allied Motion Technologies Inc.

Headquartered in Amherst, New York, Allied Motion designs, manufactures and sells motion control products into applications that serve many industry sectors. Allied Motion is a leading supplier of precision and specialty motion control components and systems to a broad spectrum of customers throughout the world.

Cautionary Note Regarding Forward-Looking Statements

Allied Motion makes forward-looking statements in this press release which represent its expectations or beliefs about future events and financial performance. Forward-looking statements are identifiable by words such as "believe," "anticipate," "expect," "intend," "plan," "will," "may" and other similar expressions. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements. Forward looking statements made in this press release, include, but are not limited to, statements concerning: the expected timetable for consummation of the transaction; Globe Motors' business complementing and expanding Allied Motion's existing operations and international presence; growth prospects; accretion to earnings and other potential benefits and synergies of the transaction.

You are cautioned not to place undue reliance on these forward-looking statements. These forward-looking statements are not guarantees of future events and involve risks, uncertainties and other known and unknown factors that may cause actual results and performance to be materially different from any future results or performance expressed or implied by such forward-looking statements, including, but not limited to, the failure to consummate, or a delay in the consummation of, the transaction; general economic conditions and conditions affecting the industries in which Allied Motion and Globe Motors operate; the uncertainty of obtaining regulatory approvals; Allied Motion's ability to successfully integrate Globe Motors' operations and employees with Allied Motion's existing business; the ability to realize anticipated growth, synergies and cost savings; and Globe Motors' performance and maintenance of important business relationships.

Allied Motion makes no commitment to revise or update any forward-looking statements to reflect events or circumstances occurring or existing after the date of any forward-looking statement.

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