

Delaware

PAGE 1

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF MERGER, WHICH MERGES:

"PROTECTIVE PRODUCTS INTERMEDIATE HOLDING CORP.", A DELAWARE CORPORATION,

WITH AND INTO "POINT BLANK INTERMEDIATE HOLDING, LLC" UNDER THE NAME OF "POINT BLANK INTERMEDIATE HOLDING, LLC", A LIMITED LIABILITY COMPANY ORGANIZED AND EXISTING UNDER THE LAWS OF THE STATE OF DELAWARE, AS RECEIVED AND FILED IN THIS OFFICE THE THIRTIETH DAY OF APRIL, A.D. 2012, AT 4:10 O'CLOCK P.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.

5058257 8100M

120490175



You may verify this certificate online
at corp.delaware.gov/authver.shtml


Jeffrey W. Bullock, Secretary of State
AUTHENTICATION: 9539063

DATE: 04-30-12

**CERTIFICATE OF MERGER
OF
PROTECTIVE PRODUCTS INTERMEDIATE HOLDING CORP.
(a Delaware corporation)
with and into
POINT BLANK INTERMEDIATE HOLDING, LLC
(a Delaware limited liability company)**

*Pursuant to Section 264 of the General Corporation Law of the State of Delaware and
Pursuant to Title 6, Section 18-209 of the Delaware Limited Liability Company Act*

Point Blank Intermediate Holding, LLC, a Delaware limited liability company, does hereby certify:

FIRST: The names and states of each constituent entity to this merger are as follows:

<u>Name</u>	<u>Jurisdiction</u>
Protective Products Intermediate Holding Corp.	Delaware
Point Blank Intermediate Holding, LLC	Delaware

SECOND: An Agreement and Plan of Merger, dated as of April 30, 2012, between Protective Products Intermediate Holding Corp., a Delaware corporation (the "Disappearing Corporation"), and Point Blank Intermediate Holding, LLC, a Delaware limited liability company, has been approved, adopted, certified, executed and acknowledged by each of the constituent entities in accordance with Section 264 and Section 228 of the General Corporation Law of the State of Delaware and in accordance with Title 6, Section 18-209 of the Delaware Limited Liability Company Act.

THIRD: The limited liability company surviving the merger is Point Blank Intermediate Holding, LLC, a Delaware limited liability company (the "Surviving Company").

FOURTH: The Certificate of Formation of Point Blank Intermediate Holding, LLC shall be the Certificate of Formation of the Surviving Company.

FIFTH: The merger shall become effective upon filing with the Secretary of State of the State of Delaware.

SIXTH: The executed Agreement and Plan of Merger between the aforesaid constituent entities is on file at the office of the Surviving Company at 2100 SW 2nd Street, Building 6B, Pompano Beach, FL 33069. A copy will be provided, upon request and without cost, to any stockholder of the Disappearing Corporation or to any member of the Surviving Company.

SEVENTH: The authorized shares and the par value of each share of stock of the Disappearing Corporation prior to the merger is 1,000 shares of Common Stock, \$.001 par value per share. Each issued share of stock of the Disappearing Corporation shall, by virtue of the merger and without any action on the part of the Disappearing Corporation or the directors and officers of the Disappearing Corporation, be canceled and retired and no payment shall be made with respect thereto.

IN WITNESS WHEREOF, the Surviving Company has caused this Certificate of Merger to be signed by an authorized person this 30th day of April, 2012.

POINT BLANK INTERMEDIATE HOLDING, LLC

By: /s/ James Henderson

Name: James Henderson

Its: Chief Executive Officer and President



2102 SW 2nd Street
Pompano Beach, FL 33060
www.pointblanksolutionsinc.com
Nationwide 800-413-5155
Phone 954-630-0900
Fax 954-630-9225

MEMORANDUM

TO: State of Colorado Department of Personnel and Administration
Division of Finance and Procurement
State Purchasing Office

FROM: Point Blank Enterprises, Inc.

DATE: June 10, 2013

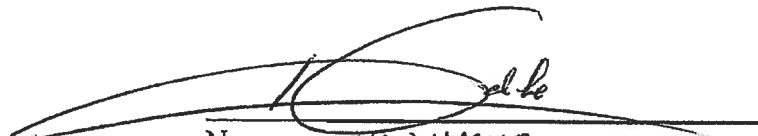
SUBJECT: Intercompany Transfer of State of Colorado Contract

Point Blank Enterprises, Inc. ("PBE") owns and has the authority to govern Protective Products Enterprises, LLC ("PPE") as the result of the merger of PBE's and PPE's parent companies in April of 2012. Following the merger, PBE has undertaken to consolidate the performance and administration of certain PPE contracts into PBE. Accordingly, the Memorandum memorializes and evidences the transfer of its subsidiary PPE's Master Pricing Agreement, Contract No.34420 with the State of Colorado, including all rights, interests, and obligations thereunder, to PBE.

POINT BLANK ENTERPRISES, INC.


Name: IVAN HARIBE
Title: Chief Financial Officer

PROTECTIVE PRODUCTS, LLC


Name: IVAN HARIBE
Title: Chief Financial Officer



PARACLETE



AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER (this "Agreement") is entered into as of April 30, 2012 by and between Point Blank Intermediate Holding, LLC, a Delaware limited liability company ("Point Blank Intermediate"), and Protective Products Intermediate Holding Corp., a Delaware corporation (the "Disappearing Corporation", and together with Point Blank Intermediate, the "Constituent Entities").

W I T N E S S E T H

WHEREAS, the Constituent Entities desire to consummate the merger, pursuant to the terms and subject to the conditions set forth herein and in accordance with the General Corporation Law of the State of Delaware and the Limited Liability Company Act of the State of Delaware (together, the "Delaware Law"), of the Disappearing Corporation with and into Point Blank Intermediate, with Point Blank Intermediate continuing as the surviving company.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Merger. On the Effective Date (as defined in Section 8), the Disappearing Corporation shall merge with and into Point Blank Intermediate (the "Merger"), with Point Blank Intermediate continuing as the surviving company (the "Surviving Company") and the separate corporate existence of the Disappearing Corporation shall cease.

2. Constituent Entities. Point Blank Intermediate filed its Certificate of Formation, as amended from time to time, with the Secretary of State of the State of Delaware on October 28, 2011. The Disappearing Corporation filed its Certificate of Incorporation, as amended from time to time, with the Secretary of State of the State of Delaware on February 19, 2010.

3. Certificate of Formation and Limited Liability Company Agreement. By virtue of the Merger and upon the Effective Date, the Certificate of Formation, as amended from time to time, of Point Blank Intermediate, shall be the Certificate of Formation of the Surviving Company upon and after the Effective Date, unless, and until duly amended, altered, changed, repealed, and/or supplemented in accordance with Delaware Law (which power and right to amend, alter, change, repeal, and/or supplement, at any time and from time to time after the Effective Date, are hereby expressly reserved). The Limited Liability Company Agreement of Point Blank Intermediate will remain in full force and effect as the Limited Liability Company Agreement of the Surviving Company upon and after the Effective Date, unless, and until duly amended, altered, changed, repealed, and/or supplemented in accordance with Delaware Law (which power and right to amend, alter, change, repeal, and/or supplement, at any time and from time to time after the Effective Date, are hereby expressly reserved).

4. Rights of Surviving Company. The parties hereto agree that when the Merger shall have become effective under Delaware Law, that the separate corporate existence of the

Disappearing Corporation shall cease and shall be merged with and into Point Blank Intermediate, and that all the rights, privileges, immunities, powers and franchises of each of said Constituent Entities, and all property, real, personal and mixed, and all debts, liabilities and duties of any of said Constituent Entities on whatever account, as well for stock subscriptions, as all other things in action or belonging to each of such Constituent Entities shall be automatically vested in the Surviving Company.

5. Managing Member and Officers. The managing member and the officers of Point Blank Intermediate holding office immediately prior to the Effective Date shall be the managing member and the officers respectively (holding the same positions as each held with Point Blank Intermediate immediately prior to the Effective Date) of the Surviving Company and shall hold office from the Effective Date until their respective successors are duly elected or appointed and qualified in the manner provided in the Certificate of Formation and the Limited Liability Company Agreement of the Surviving Company, or as otherwise provided in the Limited Liability Company Agreement of the Surviving Company.

6. Surviving Company.

(a) Name. The name of the Surviving Company shall be "Point Blank Intermediate Holding, LLC".

(b) Registered Office and Registered Agent. The Surviving Company's registered office in the State of Delaware shall be located at 1209 Orange Street, Wilmington, New Castle County, Delaware 19801. The registered agent of the Surviving Company for service of process at such address shall be The Corporation Trust Company.

(c) Rights and Obligations. The Merger shall have the effects of applicable law, including, without limitation, the applicable provisions of Delaware Law.

7. Effect of Merger on Outstanding Shares.

(a) Disappearing Corporation. Prior to this Merger, the Disappearing Corporation shall have the authority to issue 1,000 shares of common stock, \$0.001 par value per share. By virtue of the Merger, the shares of common stock of the Disappearing Corporation outstanding on the Effective Date shall be cancelled and retired and no payment shall be made with respect thereto. For the avoidance of doubt, each share of common stock that is owned by the Disappearing Corporation as treasury stock shall no longer be outstanding and shall be cancelled and retired and no payment shall be made with respect thereto.

(b) Surviving Company. The outstanding units representing membership interests in the Surviving Company will not be converted, exchanged or altered in any manner as a result of the Merger and will remain outstanding as validly issued, fully paid and nonassessable units representing membership interest in the Surviving Company.

8. Effective Date. Point Blank Intermediate and the Disappearing Corporation shall each take or cause to be taken all such actions, or do or cause to be done all such things, as are necessary, proper, or advisable under the laws of the State of Delaware to make effective the merger provided in this Agreement, subject, however, to the taking by the respective parties of

any actions or receipt of any required approvals in accordance with Delaware law. Upon compliance with applicable laws and upon receipt of any required approval of the sole stockholder of the Disappearing Corporation, the Constituent Entities shall cause an executed Certificate of Merger as required by Delaware Law to be filed with the office of the Secretary of State of the State of Delaware. The Merger shall become effective upon the filing of the executed Certificate of Merger with the Secretary of State of the State of Delaware or at such subsequent date or time as the parties agree and specify in the Certificate of Merger. The date on which the Merger so becomes effective is referred to in this Agreement as the "Effective Date".

9. Conditions Precedent. The obligations of each party to complete the Merger are subject to the following conditions:

(a) Corporate Approval. All actions necessary to authorize the execution, delivery, and performance of this Agreement shall have been duly and validly taken by each of the parties hereto.

(b) Member, Managing Member and Stockholder Approval. The sole stockholder of the Disappearing Corporation and the member of Point Blank Intermediate shall have approved the Merger and adopted this Agreement. The board of directors of Disappearing Corporation and the managing member of Point Blank Intermediate shall have approved the Merger and adopted this Agreement.

(c) Approval From Government Agencies. All governmental approvals and other actions required to effect the Merger and related transactions shall have been obtained, without conditions or restrictions that the affected party reasonably considers unduly burdensome.

10. Amendment. This Agreement may be amended by an instrument in writing signed by the parties hereto by action by or on behalf of the board of directors of the Disappearing Corporation or by the managing member of Point Blank Intermediate, at any time after approval by the sole stockholder of the Disappearing Corporation; provided, however, that after any such approval, there shall not be made any agreement that by law requires further approval by such stockholder of the Disappearing Corporation without the further approval of such stockholder.

11. Termination or Abandonment. This Agreement may be terminated and the Merger abandoned at any time prior to the Effective Date by the consent of the board of directors of the Disappearing Corporation and by the consent of the managing member of Point Blank Intermediate. If this Agreement is terminated as provided in this Section 11, neither the Disappearing Corporation nor Point Blank Intermediate nor the board of director or stockholder of the Disappearing Corporation or the member or managing member of Point Blank Intermediate shall be liable to the other or their directors, stockholder, member or managing member by reason of such termination.

12. Other Provisions.

(a) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of Delaware (regardless of the laws that might otherwise govern under

applicable Delaware principles of conflicts of law) as to all matters, including matters of validity, construction, effect, performance and remedies.

(b) Further Assurances. The Disappearing Corporation shall from time to time upon request by Surviving Company execute and deliver all such documents and instruments and take all such action as Surviving Company may request in order to vest or evidence the vesting in Surviving Company of title to and possession of all rights, properties, assets, and business of the Disappearing Corporation, or otherwise to carry out the full intent and purpose of this Agreement.

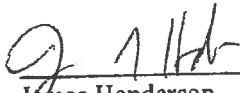
(c) Counterparts; Facsimile and Electronic Signatures. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original as against any party whose signature appears thereon, and all of which, together, shall constitute one and the same instrument. Signatures by facsimile and electronic copy shall be binding.

(d) No Assignability. Neither this Agreement nor any rights or obligations under it are assignable.

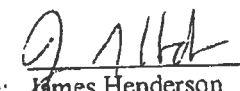
* * * * *

IN WITNESS WHEREOF, the Disappearing Corporation and Point Blank Intermediate have caused this Agreement and Plan of Merger to be executed as of the date first above written.

PROTECTIVE PRODUCTS INTERMEDIATE
HOLDING CORP.

By: 
Name: James Henderson
Its: Chief Executive Officer, President and
Secretary

POINT BLANK INTERMEDIATE HOLDING, LLC

By: 
Name: James Henderson
Its: Chief Executive Officer and President

CONTRIBUTION AND ACCEPTANCE AGREEMENT

THIS CONTRIBUTION AND ACCEPTANCE AGREEMENT (this "Agreement") is entered into as of April 30, 2012 by and between Point Blank Enterprises, Inc., a Delaware corporation (the "Corporation") and Point Blank Intermediate Holding, LLC, a Delaware limited liability company ("Contributor").

W I T N E S S E T H

WHEREAS, Contributor owns all of the outstanding capital stock of Protective Products Enterprises, Inc., a Delaware corporation ("the "Contributed Entity");

WHEREAS, Contributor desires to contribute and transfer all of its equity interests of the Contributed Entity (the "Contributed Assets") to the Corporation and the Contributed Assets consist of all of Contributor's right, title and interest to and in the Contributed Entity; and

WHEREAS, the Corporation desires to accept the contribution of the Contributed Assets by Contributor.

NOW THEREFORE, in consideration of the foregoing, and the mutual covenants stated herein, and other consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound, the parties hereto hereby agree as follows:

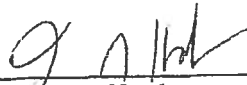
1. Contribution. As of the date hereof, Contributor hereby contributes, assigns, conveys, sells, grants and transfers to the Corporation, without recourse, all of Contributor's right, title and interest to, in and under the Contributed Assets and any securities, rights and proceeds that pertain thereto, whether now existing or hereafter arising. The Contributed Assets consist of all of Contributor's right, title and interest to and in the Contributed Entity together with all documentation, including certificates, books, records, contracts, commitments, financial statements, minutes of meetings, and investor and shareholder communications in the possession of Contributor related to the Contributed Entity.
2. Acceptance. The Corporation hereby accepts the contribution of the Contributed Assets.
3. Further Assurances. Upon the request of either party hereto, the other party hereto shall, without further consideration, execute and deliver, or cause to be executed and delivered, such other instruments of contribution, conveyance, transfer, assignment and confirmation, and shall take, or cause to be taken, such further or other actions as the other party hereto may deem necessary or desirable to carry out the intent and purposes of this Agreement and to consummate and give effect to the transactions contemplated hereby.
4. Assignment; Successors. Except as otherwise expressly provided herein, all covenants and agreements contained 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 whether so expressed or not.

5. Amendment and Modification. This Agreement or any term hereof may be changed, waived, discharged or terminated only by an agreement in writing signed by the party against which such change, waiver, discharge or termination is sought to be enforced.
6. Entire Agreement. Except as otherwise expressly set forth herein, this Agreement embodies the complete agreement among the parties hereto with respect to the subject matter hereof and supersedes and preempts any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.
7. Counterparts; Facsimile Signatures. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original as against any party whose signature appears thereon, and all of which, together, shall constitute one and the same instrument. Signatures by facsimile and electronic copy shall be binding.
8. Governing Law. All questions concerning the construction, validity and interpretation of this Agreement and the exhibits and schedules hereto shall be governed by the laws (but not the law respecting conflicts of law) of the State of Delaware.

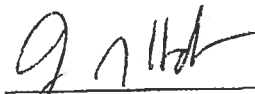
* * * * *

IN WITNESS WHEREOF, the parties have executed this Contribution and Acceptance Agreement as of the date first above written.

POINT BLANK ENTERPRISES, INC.

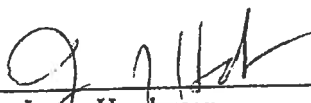
By: 
Name: James Henderson
Its: Chief Executive Officer and President

POINT BLANK INTERMEDIATE HOLDING, LLC

By: 
Name: James Henderson
Its: Chief Executive Officer and President

Acknowledged and agreed to on April 30, 2012 by:

PROTECTIVE PRODUCTS ENTERPRISES, INC.

By: 
Name: James Henderson
Its: Chief Executive Officer and President



NEWS RELEASE

2102 SW 2ND Street | Pompano Beach, FL 33069
Toll-free: 800-413-5155 | Local: 954-630-0900
Fax: 954-630-9225 | www.pointblanksolutionsinc.com

POINT BLANK ENTERPRISES AND PROTECTIVE PRODUCTS ENTERPRISES COMPLETE MERGER

Combined Companies Operating As Point Blank Enterprises

POMPANO BEACH, FLA., May 3, 2012 – Point Blank Enterprises, Inc., the worldwide leader in the production of soft body armor and related protective solutions, today announced that it has finalized its merger with Protective Products Enterprises, LLC. Both companies are owned by affiliates of Sun Capital Partners, a leading private investment firm specializing in leveraged buyouts and investments in market-leading companies.

Point Blank Enterprises, Inc. has become the parent company and is now the operating owner of well-known and trusted global brands, including Point Blank Body Armor, PACA Body Armor, Protective Products and Paraclete. The Company will produce ballistics and soft armor designs, both concealable and tactical, at its manufacturing facilities in Pompano Beach, Fla., and Sunrise, Fla.

The Company also disclosed today that it has obtained new financing from Wells Fargo Bank, N.A., with the funds to be used for general working purposes and to drive innovation in new designs for the Company's end markets.

"For the past six months, we have been working diligently to integrate all aspects of our businesses – including sales and marketing, manufacturing, R&D, finance, and IT – to better serve our global customers," said Jim Henderson, Chief Executive Officer of Point Blank Enterprises, Inc. "We've made significant inroads and much of the integration is completed. We continue to win new awards, both domestically and abroad, and the changes we're implementing now will allow us to further shorten our industry-leading delivery times, while continuing to provide our customers with the industry's best and safest products. We look forward to building upon the heritage of Point Blank, PACA, Protective Products and Paraclete for years to come."

About Point Blank Enterprises, Inc.

Point Blank Enterprises, Inc. ("PBEI") is a leading provider of high performance protective solutions, including bullet, fragmentation and stab resistant apparel and related accessories. Through its key brands, Point Blank Body Armor, Protective Apparel Corporation of America (PACA), Protective Products and Paraclete, the Company ranks as the largest global supplier of ballistic and soft armor systems in the world. The Company's ballistic solutions have been credited with saving countless lives for the most important customers in the world, including the U.S. Armed Forces, Department of Defense, Federal Government and law enforcement, corrections and security personnel, both domestically and abroad. For more information on our Company, please visit our website at www.pointblankenterprises.com.





2102 SW 2ND Street | Pompano Beach, FL 33069
Toll-free: 800-413-5155 | Local: 954-630-0900
Fax: 954-630-9225 | www.pointblanksolutionsinc.com

About Sun Capital Partners, Inc.

Sun Capital Partners, Inc. is a leading private investment firm focused on leveraged buyouts, equity, debt, and other investments in companies that can benefit from its in-house operating professionals and experience. Sun Capital affiliates have invested in more than 300 companies worldwide with combined sales in excess of \$45 billion since Sun Capital's inception in 1995. Sun Capital has offices in Boca Raton, Los Angeles, and New York, as well as affiliates in London, Paris, Frankfurt, Luxembourg, Shanghai and Shenzhen. For more information, please visit www.SunCapPart.com.

Company Contact:

Glenn Wiener
Chief Market Strategist
VP, Business Development
Tel: 212-786-6011
Email: gwiener@pbsinc.com

Media Contact:

Dionne Manchester
Senior Vice President
Media Relations
Tel: 212-786-6068
Email: dionne@GWCco.com



CONSENT TO ASSIGNMENT

Assignment #1	Original Contract CMS #34390	Assignment CMS # 42655
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1 PARTIES

This Consent to Assignment ("**Consent to Assignment**") to the above-referenced Original Contract ("**Contract**") between MINE SAFETY APPLIANCES COMPANY ("**Previous Contractor**") and the STATE OF COLORADO acting by and through the DEPARTMENT OF PERSONNEL AND ADMINISTRATION, DIVISION OF FINANCE AND PROCUREMENT, STATE PURCHASING OFFICE ("**State**" or "**Agency**") is hereby entered into by and between PROTECTIVE PRODUCTS ENTERPRISES, INC. ("**Contractor**") and the State.

2 EFFECTIVE DATE AND NOTICE OF NONLIABILITY

This Consent to Assignment shall not be effective or enforceable until it is approved and signed by the Colorado State Controller or designee ("**Effective Date**"). The State shall not be liable to pay or reimburse Contractor for any performance hereunder including, but not limited to, costs or expenses incurred, or be bound by any provision hereof prior to the Effective Date.

3 FACTUAL RECITALS

The parties to this Consent to Assignment desire to replace Previous Contractor under the Contract and substitute Contractor to the extent provided for herein. Contractor hereby represents to the State that pursuant to the asset purchase agreement documents (**Attachment A**) dated October 14, 2011 indicating the acquisition of MINE SAFETY APPLIANCES COMPANY by PROTECTIVE PRODUCTS ENTERPRISES, INC., the Previous Contractor has dissolved and the Previous Contractor's staff and officers are no longer available to execute documents, the Contractor agrees to the assignment all of Previous Contractor's rights and obligations under the Contract.

4 CONSIDERATION-COLORADO SPECIAL PROVISIONS

The parties acknowledge that the mutual promises and covenants contained herein and other good and valuable consideration are sufficient and adequate to support this Consent to Assignment.

5 LIMITS OF EFFECT

This Consent to Assignment is incorporated by reference into the Contract, and the Contract and all prior amendments thereto, if any, remain in full force and effect except to the extent specifically modified hereby.

6 EFFECT OF ASSIGNMENT

When this Consent to Assignment takes effect, Contractor shall be substituted for Previous Contractor under the Contract, subject to the following provisions:

- a. Contractor shall thereafter perform all obligations under the Contract except to the extent limited by **Attachment A**, if any, (the assignment agreement between Previous Contractor and Contractor), which if attached hereto is incorporated by reference herein. Regarding **Attachment A** (check one):
 - i. **Attachment A** is attached and does exist.
 - ii. **Attachment A** is not attached and does not exist.
- b. Contractor shall perform all assigned duties and obligations as if it were the original Contractor, the State shall look to Contractor for all such performance, and Contractor shall correct such performance if requested to do so by the State.
- c. Hereinafter, the term "Contractor" as used in the Contract and any amendment thereto refers to Contractor.

7 START DATE

This Consent to Assignment shall not be effective until it is approved and signed by the Colorado State Controller or designee.

8 WAIVER

The parties acknowledge that all payments and reimbursements previously made by the State to Previous Contractor, and all other previous actions taken by the State under the Contract, shall be considered to have discharged any State obligations to Previous Contractor thereunder. All payments made by the State after the Effective Date of this Consent to Assignment in the name of or to Previous Contractor shall have the same force and effect as if made to Contractor, and shall constitute a complete discharge of the State's obligations under the Contract to the extent of the amount paid.

9 ORDER OF PRECEDENCE

In the event of any conflict, inconsistency, variance, or contradiction between the provisions of this Consent to Assignment and any of the provisions of the Contract hereto, the provisions hereof shall in all respects supersede, govern, and control.

10 AVAILABLE FUNDS

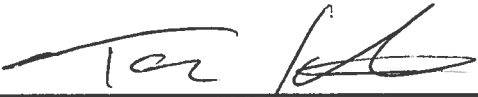
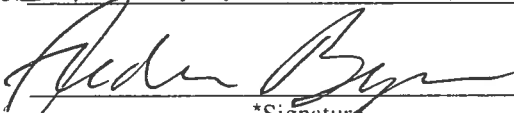
Financial obligations of the State payable after the current fiscal year are contingent upon funds for that purpose being appropriated, budgeted, or otherwise made available.

11 CONSENT TO ASSIGNMENT

The State hereby consents to the assignment of this Contract to Contractor subject to the provisions of this Consent to Assignment.

THE PARTIES HERETO HAVE EXECUTED THIS CONSENT TO ASSIGNMENT

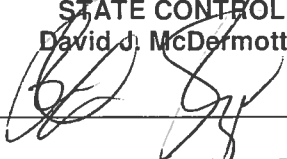
* Persons signing for Contractor hereby swear and affirm that they are authorized to act on behalf of the Contractor, and acknowledge that the State is relying on their representation to that effect.

CONTRACTOR Protective Products Enterprises, Inc.	STATE OF COLORADO John W. Hickenlooper, Governor DEPARTMENT OF PERSONNEL AND ADMINISTRATION
By: <u>Tom Steffen</u> Title: <u>CFO</u>	By: <u>JUDSON BYRN</u> Title: <u>STATE PURCHASING DIRECTOR</u>
 *Signature	 *Signature
Date: <u>4/2/12</u>	Date: <u>4/16/12</u>

ALL CONTRACTS REQUIRE APPROVAL BY THE STATE CONTROLLER

CRS §24-30-202 requires the State Controller to approve all State contracts. This Consent to Assignment is not valid until signed and dated below by the State Controller or delegate. Contractor is not authorized to begin performance until such time. If Contractor begins performing prior thereto, the State of Colorado is not obligated to pay Contractor for such performance or for any goods and/or services provided hereunder.

STATE CONTROLLER
David J. McDermott, CPA

By: 

Date: 5-11-2012

Execution Version

ASSET PURCHASE AGREEMENT

by and between

PROTECTIVE PRODUCTS ENTERPRISES, INC.

and

MINE SAFETY APPLIANCES COMPANY

Dated as of October 14, 2011

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ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made and entered into as of October 14, 2011, by and between (i) Mine Safety Appliances Company, a Pennsylvania corporation, ("Seller") and (ii) Protective Products Enterprises, Inc., a Delaware corporation ("Buyer"). Seller and Buyer are sometimes individually referred to in this Agreement as a "Party" and collectively as the "Parties."

WHEREAS, subject to the terms and conditions set forth herein, Buyer desires to purchase from Seller and Seller desires to sell to Buyer, all of the business, assets and properties, operating as a going concern, related primarily to the operation of Seller's ballistic body armor product line, including those related products produced from time to time on and prior to the date hereof at the facility located at the Leased Real Property, including ballistic vests, plates and pouches, but excluding Seller's ballistic helmet product line (such products, the "Paraclete Products") (the "Business");

WHEREAS, the Parties desire to make certain representations, warranties, covenants and agreements.

NOW, THEREFORE, in consideration of the foregoing and the respective representations, mutual covenants, agreements and understandings contained herein and intending to be legally bound, the Parties hereto hereby agree as follows:

ARTICLE I

CERTAIN DEFINITIONS

1.1 Certain Definitions. For purposes of this Agreement, the following terms have the meanings set forth below:

"Affiliate" of any particular Person means any other Person controlling, controlled by or under common control with such Person. For purposes of this definition, "control" (including the terms "controlling," "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise, and such "control" will be presumed if any Person owns 10% or more of the voting capital stock or other ownership interests, directly or indirectly, of any other Person.

"Business Employees" means all of Seller's employees employed in the Business as of the Closing Date, including all active employees and any other employees, including employees inactive as of the Closing Date for any reason (including as a result of layoff, leave of absence, disability, illness or injury). A complete list of the Business Employees is set forth at Schedule 4.17(b).

"Buyer Parties" means Buyer and its Affiliates and their respective members, shareholders, officers, directors, managers, employees, agents, representatives, successors and assigns.

"CERCLA" means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. § 9601, et seq.).

“Closing Inventory Amount” means the gross value of the Inventory of the Business, based on a physical Inventory count conducted by Buyer as soon as reasonably practicable after Closing (but in any event, within thirty (30) business days of Closing).

“Code” means the Internal Revenue Code of 1986, as amended, and any reference to any particular Code section shall be interpreted to include any revision of or successor to that section regardless of how numbered or classified.

“Confidential Information” means all information of a confidential or proprietary nature (whether or not specifically labeled or identified as “confidential”), in any form or medium, that relates to the business, products, services and/or research and/or development of the Business and/or its respective suppliers, distributors, customers, independent contractors and/or other business relations. Confidential Information includes, but is not limited to, the following: (i) internal business information (including historical and projected financial information and budgets and information relating to strategic and staffing plans and practices, business, training, marketing, promotional and sales plans and practices, cost, rate and pricing structures and accounting and business methods); (ii) identities of, individual requirements of, specific contractual arrangements with, and information about, suppliers, distributors, customers, independent contractors or other business relations and their confidential information; (iii) trade secrets, know-how, compilations of data and analyses, techniques, systems, formulae, recipes, research, records, reports, manuals, documentation, models, data and data bases relating thereto; (iv) inventions, innovations, improvements, developments, methods, designs, analyses, drawings, reports and all similar or related information (whether or not patentable); and (v) other Business Proprietary Rights.

“Customs & International Trade Laws” means any domestic law, statute, order of a Governmental Authority, regulation, rule, permit, license, directive, ruling, order, decree, ordinance, award, or other decision or requirement, including any amendments, having the force or effect of law, of any arbitrator, court, government or government agency or instrumentality or other Governmental Authority, concerning the importation, exportation, reexportation, or deemed exportation of products, technical data, technology and/or services, and the terms and conduct of transactions and making or receiving of payment related to such importation, exportation, reexportation or deemed exportation, including, but not limited to, as applicable, the Tariff Act of 1930, as amended, and other laws, regulations, and programs administered or enforced by Commerce, U.S. International Trade Commission, U.S. Customs and Border Protection, U.S. Immigration and Customs Enforcement, and their predecessor agencies; the Export Administration Act of 1979, as amended; the Export Administration Regulations, including related restrictions with regard to transactions involving persons and entities on the Commerce Denied Persons List or Entity List; the Arms Export Control Act, as amended; the International Traffic in Arms Regulations, including related restrictions with regard to transactions involving persons and entities on the Debarred List; the International Emergency Economic Powers Act, as amended; the Trading With the Enemy Act, as amended; the embargoes and restrictions administered by OFAC; orders of the President regarding embargoes and restrictions on transactions with designated countries and entities, including persons and entities designated on OFAC’s list of Specially Designated Nationals and Blocked Persons; the antiboycott regulations administered by Commerce; and the antiboycott regulations administered by the U.S. Department of the Treasury.

“Environmental and Safety Requirements” means all applicable foreign, federal, state, and local statutes, regulations, ordinances, and codes, and other similar provisions having the force and effect of law, all judicial and administrative orders and determinations, and all common law concerning public health and safety, worker health and safety, and pollution or protection of the environment, including all those relating to the presence, use, production, generation, handling, transportation, treatment, storage, disposal, distribution, labeling, testing, processing, discharge, release, threatened

release, control or cleanup of, or exposure to, any hazardous materials, substances or wastes, chemical substances or mixtures, pesticides, pollutants, contaminants, toxic chemicals, petroleum products or byproducts, asbestos, polychlorinated biphenyls, noise or radiation, as previously or now in effect.

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

“ERISA Affiliate” means any entity that, together with Seller, is treated as a single employer under Section 414 of the Code.

“GAAP” means United States generally accepted accounting principles, as in effect from time to time.

“Governmental Authority” means any United States or foreign governmental authority, including but not limited to any national, federal, territorial, state, commonwealth, province, territory, county, municipal, district, local governmental jurisdiction of any nature or any other governmental, self-regulatory or quasi-governmental authority of any nature (including any governmental department, division, agency, bureau, office, branch, court, board, commission, tribunal, or other governmental instrumentality) or any political or other subdivision or part of any of the foregoing.

“Government Bid” means any quotation, bid or proposal by Seller for the sale of products or the provision of services of the Business, that, if accepted or awarded, would lead to a Government Contract, including a prime contractor or a higher tier subcontractor to the United States government or any foreign government, .

“Government Contract” means any prime contract, subcontract, letter contract, purchase order, task order or delivery order that is (a) between Seller and a Governmental Authority or (b) is entered into by Seller as a subcontractor (at any tier) in connection with a Government Contract, for the sale of products or the provision of services of the Business.

“Government Official” means any officer or employee of a national or local government or any department, agency, or instrumentality thereof, or of a public international organization, or any person acting in an official capacity for or on behalf of any such government or department, agency, or instrumentality, or for or on behalf of any such public international organization.

“Indebtedness” means (i) any indebtedness for borrowed money; (ii) any indebtedness evidenced by any note, bond, debenture or other debt security; (iii) any liabilities or obligations for the deferred purchase price of property or services with respect to which Seller is liable, contingently or otherwise, as obligor or otherwise; (iv) any commitment by which Seller assures a creditor against loss (including contingent reimbursement obligations with respect to letters of credit); (v) any indebtedness guaranteed in any manner by Seller (including guarantees in the form of an agreement to repurchase or reimburse); (vi) any liabilities or obligations under capitalized leases with respect to which Seller is liable, contingently or otherwise, as obligor, guarantor or otherwise, or with respect to which obligations Seller assures a creditor against loss; (vii) any indebtedness or liabilities secured by a Lien (other than Permitted Liens arising by operation of law) on Seller’s assets; (viii) any amounts owed by Seller to any Person under any noncompetition or consulting arrangements; (ix) any amounts owed to Seller Affiliates by Seller, (including intercompany trade and accounts payable); (x) all “cut” but uncashed checks (including held checks and other drafts) issued by Seller that are outstanding as of the Closing Date; (xi) all obligations under conditional sale or other title retention agreements relating to property or assets purchased by Seller; (xii) all obligations (determined on the basis of actual, not notional, obligations) with respect to interest rate protection agreements, interest rate swap agreements, foreign currency exchange agreements, or other interest or exchange rate hedging agreements or arrangements; and (xiii) any

liabilities or obligations pursuant to any factoring arrangement; (xiv) any accrued and unpaid interest on any indebtedness and (xv) all agreed markdowns, chargebacks or other negotiated settlements with customers. For the avoidance of doubt, and in no way limiting the scope of Section 2.2(b) hereof, the Parties acknowledge and agree that all Indebtedness of Seller shall be an Excluded Liability.

“Knowledge” and terms of similar import mean with respect to Seller, the actual knowledge of John Wilson, Gerrard Allison, Jim Deming, Ron Baughman, Kim Henry, Rick Wilhide, Dave Bishop, Mark Sebring, Dennis Flinko, Brian Hasson, Russ Suchy, Bob Miller, Jamie Uber, and Lisa Fedorchak after making reasonable inquiry and all facts of which such Persons in the reasonably prudent exercise of their duties should be aware.

“Leased Real Property” means all leasehold or subleasehold estates and other rights to use or occupy any land, buildings, structures, improvements, fixtures or other interests in real property (including any easements, rights or permits appurtenant thereto) held by Seller which relate primarily to or are used primarily in the Business, including any renewal, amendment or other modification thereto.

“Lien” or “Liens” means any lien (statutory or otherwise), hypothecation, encumbrance, claim, liability, security interest, interest, mortgage, pledge, restriction, charge, instrument, license, preference, priority, security agreement, easement, covenant, encroachment, option, right of recovery, Tax (including foreign, federal, state and local Tax), order of any Governmental Authority, of any kind or nature (including (i) any conditional sale or other title retention agreement and any lease having substantially the same effect as any of the foregoing, (ii) any assignment or deposit arrangement in the nature of a security device, (iii) any claim based on any theory that Buyer is a successor, transferee or continuation of Seller or the Business, and (iv) any leasehold interest, license or other right, in favor of a third party or Seller, to use any portion of the Purchased Assets), whether secured or unsecured, choate or inchoate, filed or unfiled, scheduled or unscheduled, noticed or unnoticed, recorded or unrecorded, contingent or non-contingent, material or non-material, known or unknown.

“Loss” means any loss, liability, demand, claim, action, cause of action, cost, damage, diminution in value, deficiency, Tax, penalty, fine or expense, whether or not arising out of third party claims (including interest, penalties, reasonable attorneys’ fees and expenses and all amounts paid in investigation, defense or settlement of any of the foregoing and the enforcement of any rights hereunder).

“Ordinary Course of Business” means the ordinary course of business, consistent with past practice, including with regard to nature, frequency and magnitude.

“Person” means any individual, sole proprietorship, partnership, joint venture, trust, unincorporated association, corporation, limited liability company, entity or Governmental Authority.

“Post-Closing Tax Period” means any Tax period beginning after the Closing Date or, in the case of any Tax period that includes, but does not begin, after the Closing Date, the portion of such period beginning the day after the Closing Date.

“Pre-Closing Tax Period” means any Tax period ending on or before the Closing Date or, in the case of any Tax period that includes, but does not end on, the Closing Date, the portion of such period ending on the Closing Date.

“Proprietary Rights” means all (i) patents, patent applications, patent disclosures and inventions (whether or not patentable and whether or not reduced to practice) and any reissue, continuation, continuation-in-part, division, extension or reexamination thereof; (ii) trademarks, trade names, service marks, slogans, corporate names and trade dress (including any and all rights in the

“Paraclete” name), together with all goodwill associated therewith, and all translations, adaptations, derivations and combinations of the foregoing (and all logos related to the foregoing); (iii) copyrights and copyrightable or copyrighted works; (iv) Internet domain names and world wide web addresses; (v) all registrations, applications and renewals for any of the foregoing; (vi) trade secrets and other Confidential Information, including ideas, know-how, related processes and techniques, research and development information, drawings, specifications, designs, plans, proposals, technical data and manuals, and customer and supplier lists and information; computer software (including source code, executable code, data, databases and related documentation); (vii) and all other intellectual property, intangible properties and rights; in each case including the items set forth on Schedule 4.14.

“Protected Employee” means any individual set forth on Schedule 6.11(b) attached hereto.

“Re-works” means the repairing, manufacturing and/or re-sizing of any Paraclete Products reasonably requested by the end-user customer pursuant to Seller’s written Re-works policy, within 30 days of original delivery of the product by Seller to the end-user customer prior to the Closing (it being agreed and understood that any other costs incurred on behalf of one or more customers of Paraclete Products shall not be classified as Re-works).

“Subsidiary” means, with respect to any Person, any corporation, partnership, limited liability company, association or other business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled (irrespective of whether, at the time, stock of any other class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof, or (ii) if a partnership, limited liability company, association or other business entity, either (A) a majority of the partnership or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more Subsidiaries of that Person or a combination thereof, or (B) such Person is a general partner, managing member or managing director of such partnership, limited liability company, association or other entity.

“Target Inventory Amount” is \$4,750,000.00.

“Tax” or “Taxes” means any federal, state, local or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, property (including general and special real estate taxes and assessments, special service area charges, tax increment financing, charges, payments in lieu of taxes and similar charges and assessments), windfall profits, environmental (including tax under Code Section 59A), customs duties, capital stock, franchise, profits, withholding, foreign or domestic withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated or other tax, governmental fee, governmental assessment or governmental charge of any kind whatsoever, whether computed on a separate or consolidated, unitary or combined basis or in any other manner including any interest, penalties or additions to Tax or additional amounts with respect to the foregoing whether disputed or not.

“Tax Returns” means returns, declarations, reports, claims for refund, information returns or other documents (including any related or supporting schedules, statements or information), and any amendments thereto, filed or required to be filed in connection with the determination, assessment or collection of Taxes of any party or the administration of any laws, regulations or administrative requirements relating to any Taxes.

“Transaction Documents” means this Asset Purchase Agreement, the Promissory Note, and such ancillary agreements as may be necessary to effectuate the transactions contemplated hereby and thereby.

“Treasury Regulations” means the United States Treasury Regulations promulgated under the Code, and any reference to any particular Treasury Regulation section shall be interpreted to include any final or temporary revision of or successor to that section regardless of how numbered or classified.

1.2 Additional Definitions. Each of the following terms has the meaning ascribed to such term in the Article or Section set forth opposite such term:

<u>Term</u>	<u>Article/Section</u>
Agreement	Preamble
Allocation	2.5
Assumed Contracts	2.1(a)(iii)
Assumed Liabilities	2.2(a)
Business	Recitals
Business Proprietary Rights	2.1(a)(iii)
Buyer	Preamble
Buyer Fundamental Representation	6.1(a)
Cash Portion	2.3
Closing	2.4(a)
Closing Date	2.4(a)
Closing Date Inventory Statement	6.3(a)
Commerce	4.22(d)
Confluence	3.1(n)
Disputed Matters	6.3(a)
equitable manner	6.15
Excluded Assets	2.1(b)
Excluded Liabilities	2.2(b)
Excluded Taxes	2.2(b)(iv)
FAR	4.13(b)(ii)
Fundamental Representations	6.1(a)
Indemnitee	6.2(c)
Indemnitor	6.2(c)
Inventory	2.1(a)(i)
LA County	2.2(b)(xvii)
Latest Balance Sheet	4.4
Leased Real Property	4.9(b)
Leases	4.9(b)
LN Curtis	2.2(b)(xvii)
Material Contract	4.12(b)
Notice of Disagreement	6.3(a)
Novation Agreement	3.1(l)
OFAC	4.22(d)
Paraclete Products	Preamble
Party/Parties	Preamble
Permitted Liens	4.10(a)
Purchase Price	2.3

<u>Term</u>	<u>Article/Section</u>
Purchased Assets	2.1(a)
Restricted Persons	6.11(d)
Restrictive Covenants	6.11(d)
Seller	Preamble
Seller Employee Benefit Plan	4.19(a)
Seller Response	6.16
Seller's Distribution Agreements	2.1(b)(xi)
Shared Contracts	2.7
SMG Agreement	2.1(b)(ix)
State Department	4.22(d)
Straddle Period	6.9(b)
Third-Party	2.7
Third-Party Consents	3.1(d)
Transfer Taxes	6.9(a)
Transferred Employees	6.4(a)
Valuation Firm	6.3(a)
WARN Act	4.8(n)

ARTICLE II

PURCHASE AND SALE OF PURCHASED ASSETS

2.1 Basic Transaction.

(a) Purchased Assets. On the terms and subject to the conditions set forth in this Agreement, Buyer shall purchase from Seller, and Seller shall sell, convey, assign, transfer and deliver to Buyer on the Closing Date, all assets, properties, rights, titles and interests of every kind and nature owned, licensed or leased by Seller (including indirect and other forms of beneficial ownership) as of the Closing Date (except for the Excluded Assets), which are used primarily in or relate primarily to the Business, whether tangible or intangible, real or personal and wherever located and by whomever possessed (the "Purchased Assets"), free and clear of all Liens (other than Permitted Liens). The Purchased Assets shall include, but not be limited to, the following assets related to the Business:

- (i) all of Seller's interest in the Leased Real Property;
- (ii) all finished goods inventories, raw materials, packaging materials, work in process, consigned goods and finished goods (including warehoused inventories and inventories covered by purchase orders) relating primarily to the Business, wherever located, including consignment inventory and inventory on order for or in transit to or from Seller (collectively, the "Inventory"), except that shipments of Inventory in transit from Seller to customers and the corresponding accounts receivable, other than such shipments made on consignment if any, shall not be Purchased Assets;
- (iii) all Proprietary Rights which are owned by, issued to, licensed or used by Seller used primarily in or related primarily to the Business, including the items set forth on Schedule 4.14, together with all income, royalties, damages and payments of the foregoing accrued due or payable as of the Closing Date or thereafter (including damages and payments for past, present or future infringements or misappropriations thereof), the right to sue and recover for past infringements or misappropriations thereof and any and all corresponding rights that, now or hereafter, may be secured

throughout the world and all copies and tangible embodiments of any such Proprietary Rights (the foregoing, collectively, the "Business Proprietary Rights");

(iv) all agreements, contracts, or other binding arrangements (including binding written quotations) of Seller relating primarily to the Business, including the Material Contracts identified on (or required to be listed on) Schedule 4.12 (but excluding the SMG Agreement) and the Government Contracts identified on (or required to be listed on) Schedule 4.13(a) (collectively, the "Assumed Contracts");

(v) all leasehold improvements and all machinery, equipment (including all vehicles, testing equipment and office equipment), fixtures, trade fixtures, computers, and furniture located in the Leased Real Property;

(vi) all office supplies, production supplies and other supplies, spare parts, other miscellaneous supplies and other tangible property of any kind located in the Leased Real Property;

(vii) all claims, refunds, credits, causes of action, choices in action, rights of recovery and rights of set-off of any kind, except to the extent arising from accounts payable or accounts receivable of the Business retained by Seller;

(viii) reserved;

(ix) the right to receive and retain mail and other communications;

(x) all lists, records and other information pertaining to accounts and referral sources; all lists, records and other information pertaining to suppliers and customers; and all drawings, reports, studies, plans, books, ledgers, files and business and accounting records of every kind (including all financial, business, sales and marketing plans and information); in each case whether evidenced in writing, electronic data, computer software or otherwise;

(xi) all advertising, marketing and promotional materials, all archival materials and all other printed or written materials;

(xii) all permits, licenses, certifications, authorizations, approvals and similar rights from all permitting, licensing, accrediting and certifying agencies (including all of the foregoing listed or described on Schedule 2.1(a)(xii), and the rights to all data and records held by such agencies and by Seller related to such permits, licenses, certifications, authorizations and approvals, except that Seller does not warrant as to the transferability of such permits to Buyer, which shall be Buyer's obligation following the Closing Date;

(xiii) the portal used in connection with sales made by the Business to the U.S. Department of Homeland Security;

(xiv) all goodwill as a going concern; and

(xv) all other properties, assets and rights owned by Seller as of the Closing Date which are used primarily in connection with the Business, and which are not otherwise Excluded Assets.

(b) Excluded Assets. Notwithstanding the foregoing, the following properties, assets and rights (the "Excluded Assets") are expressly excluded from the purchase and sale contemplated hereby and, as such, are not included in the Purchased Assets:

(i) all notes and accounts receivable, whether current or non-current, relating to dates prior to the Closing Date;

(ii) all rights and interests in and to bank accounts of Seller;

(iii) all cash and cash equivalents of Seller;

(iv) all stock and other ownership interests in Seller;

(v) Seller's corporate charter, qualifications to conduct business as a foreign corporation, arrangements with registered agents relating to foreign qualifications, taxpayer and other identification numbers, seals, minute books, stock transfer books and blank stock certificates and other documents relating solely to the organization, maintenance and existence of Seller as a corporation;

(vi) claims for and rights to receive Tax refunds relating to the Business with respect to taxable periods (or portions thereof) ending on or prior to the Closing Date, and Tax Returns relating to the Business with respect to taxable periods (or portions thereof) ending on or prior to the Closing Date, and any notes, worksheets, files or documents relating thereto;

(vii) the Purchase Price and all other rights of Seller under or pursuant to this Agreement and the Schedules attached hereto and any other agreements entered into by Seller pursuant to this Agreement;

(viii) all names and trademarks not set forth in Schedule 4.14, including but not limited to "MSA" and the MSA logo;

(ix) that certain Sales Representation Agreement, dated as of April 4, 2011, by and between Seller and Sports Marketing South / Sports Marketing Group (the "SMG Agreement");

(x) for greater certainty, all assets of Seller used in Seller's business of designing, manufacturing, distributing, and selling ballistic helmets, to the extent not used primarily in the Business;

(xi) all agreements between Seller and third party resellers pursuant to which such resellers purchase products from Seller, including the Paraclete Products, in each case for resale distribution (the "Seller Distribution Agreements"); and

(xii) all other assets and properties of Seller not used primarily in the Business.

2.2 Assumption of Liabilities.

(a) Assumed Liabilities. Subject to the conditions set forth in this Agreement, in addition to the Purchase Price and as additional consideration for the Purchased Assets, as of the Closing to the extent such liabilities relate to the Business, Buyer shall assume only the following debts, liabilities and obligations of Seller (collectively, the "Assumed Liabilities"):

(i) obligations for Re-works up to, but not exceeding, an aggregate amount of \$20,000.00; provided, however, that this Section 2.2(a)(i) shall be subject to the indemnity set forth in Section 6.2(a)(viii) of this Agreement. For the avoidance of doubt, obligations for Re-works shall include the hourly labor cost of employees performing such Re-works and the cost of any materials and supplies used therein.

(ii) to the extent reflected in the Latest Balance Sheet, the Business's accrued liabilities or obligations for vacation pay, sick pay and holiday pay with respect to the Transferred Employees, as of the Closing Date; provided that the Transferred Employees' use and accrual of vacation, sick and holiday days will be implemented in accordance with Buyer's policies beginning as of the Closing Date, which policies may be revised from time to time at Buyer's discretion;

(iii) Seller's obligations under the Assumed Contracts but only to the extent such Assumed Contracts are assigned to Buyer or Buyer otherwise receives the rights and benefits of such Assumed Contracts pursuant to Section 2.6 below, and specifically excluding any liability or obligation relating to or arising out of such Assumed Contracts as a result of (A) any breach of such Assumed Contracts by Seller or its Affiliates occurring on or prior to the Closing Date; (B) any violation of law, breach of warranty, tort or infringement by Seller or its Affiliates occurring on or prior to the Closing Date; or (C) any charge, complaint, action, suit, proceeding, hearing, investigation, claim or demand related to conduct of Seller or its Affiliates arising prior to the Closing Date; and

(iv) all obligations for commissions due and payable to Lawmen Supply Company for sales booked by Buyer after the Closing, in connection with Port Authority of NY & NJ contract number 4500062710; and

(v) all obligations and liabilities (other than obligations and liabilities arising from breaches of warranties relating to ballistics) to the Business's customers under warranty agreements given by Seller or its Affiliates to customers of the Business in the ordinary course of business prior to the Closing Date in accordance with the warranty set forth at Section 4.18 below, up to, but not exceeding, an aggregate amount of \$10,000.00; provided, however, that this Section 2.2(a)(v) shall be subject to the indemnity set forth in Section 6.2(a)(ix) of this Agreement for the full amount of all such Losses from and including the first dollar of any Losses if the total amount of such Losses exceeds \$10,000.00.

(b) Liabilities Not Assumed. Notwithstanding anything to the contrary in this Agreement, Buyer shall not assume or in any way become liable for any of Seller's debts, liabilities or obligations of any nature whatsoever (other than the Assumed Liabilities), whether accrued, absolute, contingent or otherwise, whether known or unknown, whether due or to become due, whether related to the Business or the Purchased Assets and whether disclosed on the Schedules attached hereto, and regardless of when or by whom asserted, including clauses (i) through (xv) below (collectively referred to herein as the "Excluded Liabilities"):

(i) all of Seller's accounts payable, whether current or non-current, relating to dates prior to the Closing Date;

(ii) any of Seller's liabilities or obligations under this Agreement, the Schedules attached hereto and any other agreements entered into by Seller in connection with the transactions contemplated by this Agreement;

(iii) any of Seller's liabilities or obligations for expenses, fees or Taxes incident to or arising out of the negotiation, preparation, approval or authorization of this Agreement or the consummation (or preparation for the consummation) of the transactions contemplated hereby

(including all attorneys' and accountants' fees, brokerage fees and transfer Taxes) except for the portion of the transfer Taxes to be paid by Buyer pursuant to Section 6.9 hereof;

(iv) any and all Taxes (a) of Seller, its Subsidiaries and its Affiliates, except for the portion of transfer Taxes to be paid by Buyer pursuant to Section 6.9 hereof, (b) imposed on the Purchased Assets or in respect of or in relation to the Business for any Pre-Closing Tax Period, (c) of any Person under Section 1.1502-6 of the Treasury Regulations (or any similar provision of state, local, or foreign law), as a transferee or successor, by contract or otherwise, which Taxes relate to an event or transaction occurring before the Closing or (d) that are the responsibility of the Seller pursuant to Section 6.9 hereof (collectively, (a) through (d), the "Excluded Taxes");

(v) any liability or obligation under or with respect to any Seller Employee Benefit Plan or any other employee benefit plan, program, policy or arrangement presently or formerly maintained or contributed to by Seller or its ERISA Affiliates, or with respect to which Seller or any such ERISA Affiliate has any liability;

(vi) any liabilities, obligations and commitments relating to compensation of the Transferred Employees arising as a result of the transactions contemplated by this Agreement, including any severance compensation and bonus payments;

(vii) any liability or obligation with respect to any products or services that were marketed or sold (including, any development, modification or use of any Proprietary Rights in connection therewith) prior to the Closing, including product liability, infringement or misappropriation claims and any related claims and litigation arising prior to, on or after the Closing Date;

(viii) except as set forth in Section 2.2(a)(ii), any of Seller's liabilities or obligations for vacation pay, sick pay, holiday pay, salary, bonuses or other payments or liabilities of any kind to any Business Employees or current or former employee of Seller, including any liabilities or obligations arising prior to the Closing with respect to the exempt or non-exempt status of any Business Employee;

(ix) any liability or obligation relating to workers' compensation claims which were filed or presented on or before the Closing Date or which are filed or presented after the Closing Date but relate to claims and/or injuries first arising on or before the Closing Date;

(x) any of Seller's or the Business's liabilities or obligations (i) to the extent arising from acts or omissions occurring prior to the Closing Date, and (ii) (A) arising by reason of any violation or alleged violation of any federal, state, local or foreign law or any requirement of any Governmental Authority by Seller or its Affiliates, (B) arising by reason of any breach or alleged breach by Seller of any agreement, contract, lease, license, commitment, instrument, judgment, order or decree, or (C) arising under any Environmental and Safety Requirements;

(xi) any of Seller's liabilities or obligations relating to any legal action, proceeding or claim arising out of or in connection with Seller's conduct of the Business or any other conduct of Seller, Seller's officers, directors, employees, consultants, agents or advisors on or prior to the Closing Date;

(xii) any obligation or liability of Seller under warranty agreements given by Seller prior to Closing, except as set forth in Section 2.2(a)(v);

(xiii) any of Seller's liabilities or obligations for Indebtedness;

(xiv) any liabilities or obligations, including those arising under Environmental and Safety Requirements (whether or not accruing to Seller or Buyer in the first instance), in respect of any of the Excluded Assets (including under any contracts, leases, commitments or understandings related thereto);

(xv) any other liabilities or obligations of Seller not expressly assumed by Buyer pursuant to Section 2.2(a) above;

(xvi) any of Seller's liabilities or obligations which Buyer may become liable for as a result of or in connection with the failure by Buyer or Seller to comply with any bulk sales or bulk transfers laws or as a result of any "de facto merger" or "successor-in-interest" theories of liability; and

(xvii) subject to Section 6.16, any potential liability and any Loss (including the costs incurred by Buyer to replace such plates, which may include but are not limited to, costs of materials and the hourly cost of employees devoted thereto) incurred arising from that certain contract between the County of Los Angeles ("LA County") and LN Curtis and Sons Inc. ("LN Curtis"), to the extent that LN Curtis has agreed to replace, at no charge to LA County, all ballistic plates delivered by LN Curtis to LA County in connection with LA County Contract MA-IS-43973-2 dated June, 3, 2009.

For purposes of this Section 2.2(b), "Seller" shall be deemed to include all Affiliates of Seller and any predecessors to Seller and any Person with respect to which Seller is a successor-in-interest (including by operation of law, merger, liquidation, consolidation, assignment, assumption or otherwise). Seller hereby acknowledges that it is retaining the Excluded Liabilities, and Seller shall pay, discharge and perform all such liabilities and obligations promptly when due.

2.3 Purchase Price.

The aggregate purchase price (the "Purchase Price") for the Purchased Assets shall be (i) \$4,914,986.00 in cash (the "Cash Portion"), plus (ii) a term note in the principal amount of \$1,000,000.00 (the "Promissory Note").

2.4 Closing Transactions.

(a) Closing. The closing of the transactions contemplated by this Agreement (the "Closing") shall take place at the offices of Kirkland & Ellis LLP, 300 North LaSalle, Chicago, Illinois, at 10:00 a.m., local time, on the date hereof, or at such other place as is mutually agreeable to the Parties (the date on which the Closing takes place is referred to herein as the "Closing Date") and the Closing shall be deemed effective as of the opening of business on the Closing Date.

(b) Deliveries. Subject to the conditions set forth in this Agreement, at the Closing:

(i) Buyer shall deliver to Seller (A) the Cash Portion by wire transfer of immediately available funds to an account designated by Seller to Buyer not less than two (2) business days prior to the Closing Date, and (B) the Promissory Note.

(ii) Seller shall convey all of the Purchased Assets to Buyer and shall deliver to Buyer such appropriately executed instruments of sale, transfer, assignment, conveyance and delivery, warranty deeds, warranty assignments and assumption of leases, bills of sale, assignments and assumptions, intellectual property assignments or other intellectual property conveyance documents, certificates of title, vehicle titles, transfer tax declarations, landlord consents, estoppel certificates, waivers and all other instruments of conveyance which are necessary or desirable to effect transfer to

Buyer of good and marketable title to the Purchased Assets (free and clear of all Liens, other than Permitted Liens), including original executed documents acceptable for recordation in the United States Patent and Trademark Office, the United States Copyright Office, any state, county or municipal office and any other similar domestic or foreign office, department or agency (it being understood that all of the foregoing shall be satisfactory in form and substance to Buyer and its counsel);

(iii) Seller shall convey all tangible embodiments of the Business Proprietary Rights, to the extent in the possession of the Business as of the Closing;

(iv) Buyer shall assume the Assumed Liabilities by delivery of an appropriate instrument to Seller;

(v) Seller shall deliver to Buyer (A) a certificate signed by an officer of Seller, dated the date of the Closing, stating that the conditions specified in subsections (a), (b), (c), (d), (f), (g) and (h) of Section 3.1 below have been satisfied as of the Closing; (B) copies of all Third-Party Consents obtained by Seller; (C) all books, records and other materials related to or used in the Business; (D) certified copies of resolutions of Seller's board of directors authorizing and approving the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby; (E) evidence of the termination of all financing statements and the release of all Liens filed or outstanding against the Purchased Assets, if any; (F) payoff letters with respect to all Indebtedness related to the Business or the Purchased Assets, if any, outstanding immediately prior to the Closing (in each case on terms and conditions satisfactory to Buyer); and (G) such other documents or instruments as are required to be delivered at the Closing pursuant to the terms hereof or that Buyer reasonably requests prior to the Closing Date to effect the transactions contemplated hereby;

(vi) Buyer shall deliver to Seller (A) a certificate signed by an officer of Buyer, dated the date of the Closing, stating that the conditions specified in subsections (a), (b) and (c) of Section 3.2 below have been satisfied, (B) certified copies of resolutions of Buyer's board of directors authorizing and approving the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, and (C) such other documents or instruments as are required to be delivered at the Closing pursuant to the terms hereof or that Seller reasonably requests prior to the Closing Date to effect the transactions contemplated hereby; and

(vii) Seller and Buyer shall make such other deliverables as are required by ARTICLE III hereof.

2.5 Allocation of the Purchase Price. The Purchase Price, the Assumed Liabilities and other relevant items shall be allocated among the Purchased Assets in accordance with their fair market values and Section 1060 of the Code and the Treasury Regulations thereunder as determined by Buyer and reasonably acceptable to Seller. Buyer shall deliver to Seller a schedule setting forth the fair market value of the assets and such allocation within sixty (60) days after the final determination of the Closing Inventory Amount as set forth in Section 6.3, and shall make such revisions to the allocation as are reasonably requested by Seller in writing within forty-five (45) days after receipt thereof (such final allocation, the "Allocation"). The Parties covenant and agree that (a) the Parties will prepare and file all Tax Returns on a basis consistent with the Allocation and will cooperate with each other in connection with the preparation, execution and filing of all Tax Returns related to the Allocation and (b) the Parties will promptly advise each other regarding the existence of any Tax audit, controversy or litigation related to the Allocation.

2.6 Nonassignable Contracts. Notwithstanding anything to the contrary herein, to the extent that the assignment hereunder by Seller to Buyer of any Material Contract is not permitted or is not

permitted without the consent of any other party to such Material Contract, this Agreement shall not be deemed to constitute an assignment of any such Material Contract if such consent is not given or if such assignment otherwise would constitute a breach of, or cause a loss of contractual benefits under, any such Material Contract. Seller shall advise Buyer in writing at least two (2) business days prior to the Closing with respect to any Material Contract which Seller knows or has substantial reason to believe will or may not be subject to assignment to Buyer hereunder at the Closing. Without in any way limiting Seller's obligation to obtain all consents and waivers necessary for the sale, transfer, assignment and delivery of the Material Contracts to Buyer hereunder, if any such consent is not obtained or if such assignment is not permitted irrespective of consent and if the Closing shall occur, such Material Contract shall be an Assumed Contract (unless otherwise noted on Schedule 4.12) and Seller shall cooperate with Buyer following the Closing Date in any reasonable arrangement designed to provide Buyer with the full rights and benefits (and subject to the obligations) under any Material Contract, including (i) enforcement for the benefit of Buyer of any and all rights of Seller against any other party arising out of any breach or cancellation of any such Material Contract by such other party, (ii) subcontracting its rights under such contract to Buyer, and (iii) if requested by Buyer, acting as an agent on behalf of Buyer or as Buyer shall otherwise reasonably require. In furtherance of and not in any way limited by the foregoing, Seller shall use best efforts and shall take all actions reasonably requested by, and with the reasonable cooperation of, Buyer to assist Buyer in securing the novation, consent and assignment of all Government Contracts which are Assumed Contracts and will use reasonable best efforts to provide to the Buyer benefits, and enforce on behalf of Buyer all rights as reasonably requested by Buyer, under all other Material Contracts which are Assumed Contracts, including that certain Asset Purchase Agreement by and between Mine Safety Appliances Company and Paraclete Armor & Equipment, Inc., dated as of September 7, 2006.

2.7 Shared Contracts. With respect to any contracts of Seller that are used in the Business, but are not used exclusively in the Business ("Shared Contracts") (other than Seller Distribution Agreements, which shall not be deemed Shared Contracts and shall remain solely with Seller), at Buyer's request, Seller shall use all reasonable efforts to assist Buyer to obtain the agreement of any third-party to such Shared Contract (a "Third-Party") to the entering into of a new agreement with Buyer or Seller, pursuant to which Buyer or its designated Affiliates will have access to the supplies and/or services covered by, and receive any other benefit conferred by, such Shared Contract with respect to the Business. For greater certainty, and notwithstanding any provision in this Agreement to the contrary, no Shared Contracts shall constitute Assumed Contracts and shall remain assets of Seller following the Closing. For 180 days after Closing, to the extent the foregoing is not possible or practical or in the event that the Third-Party does not agree to enter into a new agreement with Buyer or one of its designated Affiliates, at Buyer's request, with respect to written Shared Contracts which (i) Buyer is unable to replace on substantially similar terms (including costs) and in a substantially similar timeframe as the benefits thereunder would have been provided by Seller to the Business, (ii) do not relate to general corporate shared services of Seller and the Business (e.g., general corporate overhead, corporate back-office services and corporate advisory services) (except to the extent necessary for Seller to provide the Transition Services in conformance with Section 6.12 of this Agreement), and (iii) are material to the Business, the Parties shall design an arrangement pursuant to which Buyer or its designated Affiliates will receive substantially all of the material rights and benefits (and will assume and discharge their proportionate share of the obligations) of such Shared Contracts as may be received by the Business prior to the Closing Date. Such an arrangement shall include the obligation of Seller to forward (where possible and practical) supplies or services, as the case may be, received from such Shared Contract with respect to the Business to the Buyer or its designated Affiliates in accordance with reasonable instructions from Buyer, until the term of such Shared Contract terminates in accordance with its terms. Buyer shall reimburse Seller for its proportionate share of the reasonable third party costs incurred under such Shared Contracts (and shall otherwise provide reasonable assistance to Seller and its Affiliates in performing their respective obligations under such Shared Contract) to the extent the supplies or services are for Buyer's benefit. Buyer acknowledges and agrees that Seller shall not have the obligation to provide

benefits to Buyer described in this Section 2.7 to the extent that the terms of any Shared Contract expressly prohibit such arrangement, provided however that Seller will work reasonably and in good faith with Buyer to provide permissible arrangements in such circumstances.

ARTICLE III

CONDITIONS TO CLOSING

3.1 Conditions to Buyer's Obligation. The obligation of Buyer to consummate the transactions contemplated by this Agreement is subject to the satisfaction of the following conditions as of the Closing:

(a) The representations and warranties made by Seller in this Agreement and in any certificate delivered by Seller pursuant hereto shall be true and correct in all material respects as of the date hereof and the Closing Date;

(b) Seller shall have performed and complied in all material respects with the obligations and covenants required by this Agreement to be performed or complied with by Seller on or prior to the Closing Date;

(c) Seller shall have obtained releases of all Liens of whatever nature relating to the Purchased Assets (other than the Permitted Liens);

(d) Seller shall have obtained payoff letters with respect to all material Indebtedness relating to the Business outstanding immediately prior to the Closing (in each case on terms and conditions satisfactory to Buyer);

(e) Seller shall have received or obtained all third party consents, including the consent(s) of the landlord(s) for the Leased Real Property, if applicable, in each case on terms reasonably satisfactory to Buyer, and shall have paid any reasonable fees or other payments associated with obtaining such consents or approvals, that are necessary for the consummation of the transactions contemplated hereby or that are required in order to prevent a breach of or default under, a termination or modification of, or acceleration of the terms of, any Material Contract (collectively, the "Third-Party Consents"), in each case on terms reasonably satisfactory to Buyer;

(f) Buyer and Seller shall have received or obtained written confirmation from the National Institute of Justice ("NIJ") indicating that all NIJ permits, registrations, consents and approvals ("NIJ Approvals") that are necessary for the consummation of the transactions contemplated hereby and Buyer's operation of the Business following the Closing, in each case on terms reasonably satisfactory to Buyer, will be transferred forthwith following the Closing; provided however, that reissuance of all applicable NIJ Approvals will occur after the Closing;

(g) Since December 31, 2010, there shall have been no material adverse change or development in the financial condition, operating results, assets, operations, employee relations or customer or supplier relations of Seller or the Business;

(h) No suit, action or other proceeding, or injunction, order, decree or judgment relating thereto, shall be pending, or to Seller's knowledge threatened, before any court or governmental or regulatory official, body or authority in which it is sought to restrain or prohibit or to obtain damages or other relief in connection with the transactions contemplated hereby, or that could have a material adverse

effect on the business, financial condition, operating results or assets of the Business or adversely affect the right of Buyer or its Affiliates to own, operate or control all or any portion of the Purchased Assets or the Business, and no investigation that could result in any such suit, action or proceeding shall be pending or, to Seller's knowledge, threatened;

(i) Seller shall have delivered to Buyer a non-foreign Person affidavits as of the Closing Date, and in form and substance required under the Treasury Regulations issued pursuant to Section 1445 of the Code stating that Seller is not a "foreign person" as defined in Code Section 1445;

(j) Reserved;

(k) Seller shall have entered into a subordination agreement, satisfactory in form and substance to Buyer's lender(s), in the form attached hereto as Exhibit A;

(l) Seller shall, with the cooperation of Buyer, have prepared a novation agreement (each a "Novation Agreement") substantially in the form required by FAR 42.1204 for each Government Contract which is an Assumed Contract in form reasonably satisfactory to Buyer;

(m) Seller shall have entered into subcontracts, in each case in form and substance satisfactory to Buyer, relating to the contracts, agreements and arrangements set forth on Schedule 3.1(m); and

(n) Seller shall have provided to Buyer an agreement executed by Confluence Advisors, LLC ("Confluence") providing for the termination of (i) that certain Confidentiality Agreement, dated as of April 5, 2011, by and between Sun Capital Partners Group V, LLC and Confluence and (ii) that certain Confidentiality Agreement, dated as of July 29, 2011, by and between Buyer and Confluence.

All proceedings to be taken by Seller in connection with the consummation of the transactions contemplated hereby and all certificates, instruments and other documents required to effect the transactions contemplated hereby reasonably requested by Buyer shall be reasonably satisfactory in form and substance to Buyer. Any conditions specified in this Section 3.1 may be waived only in writing by Buyer and specifying in reasonable detail the provision being waived.

3.2 Conditions to Seller's Obligations. The obligation of Seller to consummate the transactions contemplated by this Agreement is subject to the satisfaction of the following conditions as of the Closing:

(a) The representations and warranties made by Buyer in this Agreement and in any certificate delivered by Buyer pursuant hereto shall be true and correct as of the date hereof and the Closing Date;

(b) Buyer shall have performed and complied with the obligations and covenants required by this Agreement to be performed or complied with by Buyer on or prior to the Closing Date;

(c) Buyer and Seller shall have received or obtained all governmental and regulatory consents and approvals that are necessary for the consummation of the transactions contemplated hereby;

(d) No suit, action or other proceeding, or injunction, order, decree or judgment relating thereto, shall be threatened or pending before any court or governmental or regulatory official, body or authority in which it is sought to restrain or prohibit or to obtain damages or other relief in connection

with the transactions contemplated hereby, and no investigation that could result in any such suit, action or proceeding shall be pending or threatened; and

(e) Buyer shall have entered into subcontracts, in each case in form and substance satisfactory to Seller, relating to the contracts, agreements and arrangements set forth on Schedule 3.1(m).

All proceedings to be taken by Buyer in connection with the consummation of the transactions contemplated hereby and all documents required to be delivered by Buyer to effect the transactions contemplated hereby reasonably requested by Seller shall be reasonably satisfactory in form and substance to Seller. Any condition specified in this Section 3.2 may be waived only in writing by Seller and specifying in reasonable detail the provision being waived.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF SELLER

As an inducement to Buyer to enter into this Agreement and consummate the transactions contemplated hereby, Seller hereby represents and warrants to Buyer that:

4.1 Organization and Corporate Power. Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Pennsylvania. Seller, with respect to the Business, has obtained and currently maintains all qualifications to do business as a foreign corporation in all other jurisdictions in which the character of Seller's properties or the nature of Seller's activities require it to be so qualified, other than any such qualifications for which the failure to obtain or maintain would not have a material adverse effect on the Business. Seller has all requisite power and authority and all authorizations, licenses and permits necessary to own and operate the Business and to conduct the Business as now conducted.

4.2 Authorization; No Breach.

(a) The execution, delivery and performance of this Agreement and the other agreements contemplated hereby to be executed and delivered by Seller and the consummation of the transactions contemplated hereby and thereby have been duly and validly authorized by all requisite corporate action on the part of Seller, and no other corporate proceedings on the part of Seller are necessary to authorize the execution, delivery or performance of this Agreement or the other agreements contemplated hereby. This Agreement and the other agreements contemplated hereby to be executed and delivered by Seller constitute valid and binding obligations of Seller, enforceable in accordance with their respective terms.

(b) Except as set forth on Schedule 4.2, the execution, delivery and performance of this Agreement and the other agreements contemplated hereby to be executed and delivered by Seller and the consummation of the transactions contemplated hereby and thereby does not and shall not (i) conflict with or result in any breach of any of the provisions of, (ii) constitute a default under, (iii) result in a violation of, (iv) give any third party the right to terminate or to accelerate any obligation under, (v) result in the creation of any Lien or encumbrance of any kind upon any of the Purchased Assets, or (vi) require any authorization, consent, approval, exemption or other action by or notice to or filing with any court or other governmental or regulatory body or authority, under the provisions of Seller's certificate of incorporation or bylaws or any indenture, mortgage, loan agreements to which Seller is bound or affected, any Material Contract, or any law, statute, rule or regulation to which Seller is subject. Without limiting the generality of the foregoing, except for Buyer pursuant hereto, there are no agreements, options, commitments or rights with, of or to any Person to purchase or otherwise acquire any of the Purchased

Assets or any interests therein, except those entered into in the Ordinary Course of Business for the sale of Inventory.

4.3 Subsidiaries. Seller does not have any Subsidiaries which own, use, license or lease any Purchased Assets.

4.4 Financial Statements. Attached hereto as Schedule 4.4 are the schedules of assets purchased and liabilities assumed of the Business as of December 31, 2010 and August 31, 2011. The December 31, 2010 schedule of assets purchased and liabilities assumed shall be known as the "Latest Balance Sheet." Each of the foregoing financial statements is accurate and complete in all material respects, is consistent with the books and records of Seller (which, in turn, are accurate and complete in all material respects), presents fairly in all material respects the financial condition of the Business on a stand-alone basis as of the respective dates thereof and the operating results of the Business on a stand-alone basis for the periods covered thereby and has been prepared in accordance with GAAP, consistently applied.

4.5 Absence of Undisclosed Liabilities. Except as set forth on Schedule 4.5, Seller has no material obligations or liabilities (whether accrued, absolute, contingent, unliquidated or otherwise, whether due or to become due and regardless of when or by whom asserted) relating to the Business or arising out of transactions entered into at or prior to the date hereof, or any action or inaction at or prior to the date hereof, or to the Knowledge of Seller, any state of facts existing at or prior to the date hereof, including Taxes with respect to or based upon periods, transactions or events occurring on or before the Closing Date, except (i) obligations under contracts or commitments described on Schedule 4.12 or under contracts and commitments entered into in the Ordinary Course of Business which, because of the dollar thresholds set forth in Section 4.12 below, are not required pursuant to Section 4.12 below to be described on Schedule 4.12 (but not liabilities for breaches of any such contracts or commitments occurring on or prior to the Closing Date), (ii) liabilities reflected on the liability side of the Latest Balance Sheet, (iii) liabilities and obligations which have arisen after the date of the Latest Balance Sheet in the Ordinary Course of Business (none of which is, to Seller's Knowledge, a liability for breach of contract, breach of warranty, tort, infringement, claim or lawsuit) and (iv) other liabilities and obligations to the extent expressly disclosed in this Agreement or the Schedules attached hereto.

4.6 Inventory. Except as set forth on Schedule 4.6, all of the inventory reflected on the Latest Balance Sheet or to be accounted for in the Closing Inventory Amount consists of a quantity and quality usable and salable in the Ordinary Course of Business consistent with past practice, is not defective, or damaged, and to Seller's Knowledge, is subject only to the reserves for inventory write-downs for unmarketable, obsolete, defective or damaged inventory reflected in the Latest Balance Sheet, both as determined in accordance with GAAP consistently applied.

4.7 No Material Adverse Change. Since December 31, 2010, there has been no material adverse change or development in the business, condition (financial or otherwise), operating results, employee relations, customer relations, supplier relations, assets or operations of the Business. Except as set forth on Schedule 4.7, since December 31, 2010, Seller has conducted the Business only in the Ordinary Course of Business (including the cutting of checks).

4.8 Absence of Certain Developments. Except as set forth on Schedule 4.8, since December 31, 2010, Seller has not, with respect to the Business, the Purchased Assets, and the Assumed Liabilities:

(a) paid trade or account payables other than in the Ordinary Course of Business or, delayed or postponed the payment of any trade or accounts payable or commissions or insurance premiums or any other liability or obligation or agreed or negotiated with any party to extend the payment

date of any trade or accounts payable or commission or insurance premiums or any other liability or obligation or accelerated the collection of (or discounted) any accounts or notes receivable (whether billed or unbilled) or any deferred revenue;

(b) delayed cutting any checks;

(c) paid any obligation or liability (other than in the Ordinary Course of Business);

(d) sold, leased, assigned or transferred any of its tangible assets (including the Purchased Assets), except in the Ordinary Course of Business, or canceled without fair consideration any debts or claims owing to or held by it;

(e) to Seller's Knowledge, sold, assigned, licensed, sublicensed, transferred or encumbered any Business Proprietary Rights or other intangible assets, disclosed any proprietary Confidential Information to any Person (other than Buyer and Buyer's representatives, agents, attorneys and accountants), except pursuant to appropriate agreements including restrictions upon the disclosure of its Confidential information, or abandoned or permitted to lapse any of the Business Proprietary Rights;

(f) made or granted any bonus or any wage or salary increase to any employee or group of employees (except as required by pre-existing contracts or, in the case of non-officer employees, consistent with past practice), or made or granted any increase in any employee benefit plan or arrangement, or amended or terminated any existing employee benefit plan or arrangement or adopted any new employee benefit plan or arrangement;

(g) incurred any Indebtedness or incurred or become subject to any material liability, except current liabilities incurred in the Ordinary Course of Business and liabilities under contracts entered into in the Ordinary Course of Business;

(h) suffered any extraordinary Losses or waived any rights of material value, whether or not in the Ordinary Course of Business;

(i) suffered any damage, destruction or casualty loss to its tangible assets (including the Purchased Assets) in excess of \$50,000.00, whether or not covered by insurance;

(j) made any capital expenditures or commitments therefore that aggregate in excess of \$50,000.00;

(k) made any change in any method of accounting or accounting policies, other than those required by generally accepted accounting principles which have been disclosed in writing to Buyer;

(l) to Seller's Knowledge, engaged in any promotional sale, discount, price reduction or other similar activity that has or would reasonably be expected to have the effect of accelerating to pre-Closing periods sales that otherwise would be expected to occur in post-Closing periods;

(m) instituted or permitted any material change in the conduct of the Business, or any material change in its method of purchase, sale, lease, management, marketing, promotion or operation;

(n) implemented any employee layoffs that could implicate the Worker Adjustment and Retraining Notification Act of 1988, as amended, or any similar or related foreign, state, or local law or regulation (collectively, the "WARN Act");

(o) entered into, amended or terminated any material contract or any government license or permit or taken any other action or entered into any other transaction other than in the Ordinary Course of Business;

(p) entered into any other material transaction, whether or not in the Ordinary Course of Business, or materially changed any business practice; or

(q) authorized, approved, agreed or committed to do any of the foregoing.

4.9 Real Property.

(a) Neither Seller nor any of its Affiliates owns or leases any real property used or occupied by, or necessary for the conduct of the Business, other than the Leased Real Property located at 106 E. Clark Street, St. Pauls, North Carolina.

(b) Seller is not a party to any agreement or option to purchase or lease any real property or interest therein (other than as hereinafter set forth).

(c) Schedule 4.9(c) sets forth the names of the lessee, the address of any parcel of Leased Real Property, and a list of any leases, subleases, amendments, extensions, renewals, guaranties, licenses, concessions and other agreements (whether written or oral) (collectively, "Leases") for each such Leased Real Property. Seller has delivered to Buyer a true and complete copy of each such Lease document, and in the case of any oral Lease, a written summary of the material terms of such Lease. Except as set forth on Schedule 4.9(c), with respect to each of the Leases:

(i) such Lease is legal, valid, binding, enforceable in accordance with its terms and in full force and effect;

(ii) Seller has not assigned, transferred, sublet, or granted any person the right to use or occupy any Leased Real Property related to such Lease or mortgaged, pledged, collaterally assigned or granted any other security interest in such Lease or any interest therein

(iii) Seller's possession and quiet enjoyment of the Leased Real Property under such Lease has not been disturbed and there any no disputes with respect to such Leases;

(iv) neither Seller nor any other party to the Lease is in breach or default under such Lease, and no event has occurred or circumstance exists which, with the delivery of notice, the passage of time or both, could reasonably be expected to constitute such a breach or default, or permit the termination, modification or acceleration of rent under such Lease;

(v) there is no option to purchase, right of first refusal, right of first offer, or other agreement granting any person or entity any right to sublease or use the corresponding Leased Real Property;

(vi) no security deposit or portion thereof deposited with respect to such Lease has been applied in respect of a breach or default under such Lease which has not been redeposited in full;

(vii) the other party to such Lease is not an Affiliate of, and otherwise does not have any economic interest in, Seller;

(viii) there are no defects in the buildings, improvements, and structures or fixtures located in, on or at the corresponding Leased Real Property which would materially impair the conduct of the Business by Buyer immediately following the Closing. The mechanical, electrical, plumbing, HVAC and other systems servicing the corresponding Leased Real Property are in good working order and repair, ordinary wear and tear excepted, and, to the Knowledge of Seller, there are no defects in such systems which would reasonably be expected to materially impair the conduct of the Business by Buyer immediately following Closing;

(ix) there are no unsatisfied capital expenditure requirements or remodeling obligations of Seller under such Lease other than ordinary maintenance and repair obligations;

(x) Seller does not owe any brokerage commissions or finder's fee with respect to such Lease; and

(xi) there are no Liens on the estate or interest created by such Lease.

4.10 Assets.

(a) Seller owns good, valid and marketable title to all of the Purchased Assets, free and clear of all Liens and other restrictions of whatever nature, except for (i) Liens described on Schedule 4.10(a), (ii) Liens for current property taxes relating to the Business which are not yet due and payable, and (iii) other imperfections of title, restrictions or encumbrances, if any, which imperfections, restrictions or encumbrances do not, individually or in the aggregate, materially impair the continued use, operation or value of the Purchased Assets to which they relate and do not affect the merchantability of the title to the Purchased Assets to which they relate (items (i) and (ii) above are collectively referred to herein as the "Permitted Liens"). The consummation of the transactions contemplated by this Agreement will not alter or impair the ownership, right to use or possession by the Buyer of the Purchased Assets. As of the Closing Date, no Person other than the Buyer shall own or have any right to, or to use, or any interest in any Purchased Assets.

(b) Except as set forth on Schedule 4.10(b), and except for (i) general corporate overhead, (ii) corporate back-office services, (iii) the services set forth on Exhibit B attached hereto and (iv) assets for which the failure to be received by Buyer as Purchased Assets would not result in losses, in the aggregate, in excess of \$25,000.00, the Purchased Assets include all of the assets, whether tangible or intangible, real or personal, that are necessary for the conduct of the Business as currently conducted by Seller, it being agreed and understood, for the avoidance of doubt, that the Purchased Assets shall include all assets located at the Leased Real Property.

(c) Except as set forth on Schedule 4.10(c), the buildings, improvements, fixtures, machinery, equipment and other tangible assets (whether owned or leased) included in the Purchased Assets are, except for ordinary wear and tear, in good condition and repair, and all such assets have been installed and maintained in accordance with all applicable laws, regulations and ordinances.

(d) EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES CONTAINED THROUGHOUT SECTION FOUR OF THIS AGREEMENT, BUYER IS TAKING THE PURCHASED ASSETS IN "AS IS WHERE IS" CONDITION, AND SELLER MAKES NO OTHER REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE DESIGN, CONDITION, CAPACITY, VALUE, UTILITY, PERFORMANCE OR QUALITY OF THE PURCHASED ASSETS, AND SELLER MAKES NO IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

4.11 Tax Matters. Except as set forth on Schedule 4.11: (a) Seller has timely filed all federal, state, local and foreign income, information and other Tax Returns which are required to be filed with respect to the Business and the Purchased Assets; (b) all such returns are true, complete and accurate in all material respects and such filings accurately reflect the Tax liabilities of Seller; (c) all Taxes, assessments and other governmental charges imposed upon Seller (whether or not shown on any Tax Return) with respect to the Business or the Purchased Assets, or upon any of the assets, income or franchises of Seller relating to the Business and the Purchased Assets, have been timely paid or, if not yet payable, will be timely paid; (d) except as could result in a material adverse effect to the Business or the transactions contemplated by this Agreement, all Taxes, assessments and other governmental charges imposed upon Seller (whether or not shown on any Tax Return), or upon any of the assets, income or franchises of Seller, have been timely paid or, if not yet payable, will be timely paid; (e) Seller is not currently the beneficiary of any extension of time within which to file any Tax Return that includes the Business or the Purchased Assets; (f) Seller has not waived any statute of limitations with respect to Taxes with respect to the Business or the Purchased Assets or agreed to any extension of time with respect to a Tax assessment or deficiency with respect to the Business or the Purchased Assets; (g) with respect to the Business and the Purchased Assets, Seller has withheld and paid all Taxes required to have been withheld and paid in connection with amounts paid or owing to any employee, independent contractor, creditor, stockholder, or other third party or its activities, properties or employees, and all Forms W-2 and 1099 required with respect thereto have been properly completed and timely filed; (h) Seller has not made any material payments, is not obligated to make any material payments, and is not a party to any agreement with respect to the Business that under certain circumstances could obligate it to make any material payments, in each case that would not be deductible under Section 280G of the Code and none of the Assumed Liabilities is an obligation to make any payment that is not deductible under Section 280G of the Code; (i) Seller is not a party to any Tax allocation or sharing agreement that includes the Business or the Purchased Assets; (j) Seller (y) has not been a member of an "Affiliated Group" (as defined in Section 1504 of the Code) filing a consolidated federal income tax return and (z) does not have any liability for the Taxes of any Person (other than Seller) under Reg. § 1.1502-6 (or similar provision of state, local, or foreign law), as a transferee or successor, by contract, or otherwise; (k) there are no material disputes and no actual or proposed Tax deficiencies, assessments or adjustments with respect to the Business or the Purchased Assets, (l) no claim has ever been made by an authority in a jurisdiction where Seller does not file Tax Returns that the Business or any of the Purchased Assets is or may be subject to taxation by that jurisdiction; and (m) there are no Liens on any of the Purchased Assets of Seller that arose in connection with any failure (or alleged failure) to pay any Tax. Each contract, arrangement, or plan of the Business that is a "nonqualified deferred compensation plan" (as defined for purposes of Code Section 409A(d)(1)) is in documentary and operational compliance with Code Section 409A and the applicable guidance issued thereunder in all material respects. The Business does not have any indemnity obligation for any Taxes imposed under Section 4999 or 409A of the Code.

4.12 Contracts and Commitments.

(a) Except as listed on Schedule 4.12, to Seller's Knowledge, Seller is not a party to any:

- (i) contract with any labor union relating to the Business;
- (ii) management agreement, contract for the employment of any officer, partner, individual employee or other person on a full-time, part-time or consulting basis or providing for the payment of any cash or other compensation or benefits upon the sale of the Business or prohibiting competition or the disclosure of trade secrets or Confidential Information, in each case relating to the Business;

- (iii) agreement or indenture relating to Indebtedness of the Business or placing a Lien on any of the Purchased Assets or letter of credit arrangements relating to the Business;
- (iv) agreements relating to the Business with respect to the lending or investing of funds;
- (v) patent, trademark, or trade secret license or royalty agreements, or any other agreements relating to Business Proprietary Rights;
- (vi) nondisclosure or confidentiality agreements, in each case relating to the Business;
- (vii) lease or agreement, in each case relating primarily to the Business, under which Seller is lessee of or holds or operates (x) any real property owned by any other party or (y) personal property owned by any other party for which the annual rental exceeds \$50,000.00;
- (viii) lease or agreement under which Seller is lessor of or permits any third party to hold or operate any of the Purchased Assets;
- (ix) broker, distributor, vendor, customer or maintenance agreements, in each case relating to the Business, each of the foregoing to the extent of sales in amounts greater than \$50,000.00 from January 1, 2010 through August 31, 2011; provided, however, that no Seller Distribution Agreement shall be an Assumed Contract at the Closing;
- (x) other contract or group of related contracts, in each case relating to the Business, involving the provision of goods or services by or to Seller with the same party and involving more than \$50,000.00 per calendar year;
- (xi) contract which prohibits the Business from freely engaging in business anywhere in the world;
- (xii) contract relating to the marketing, sale, advertising or promotion of the Business or its products;
- (xiii) franchise or agency agreements, in each case relating to the Business;
- (xiv) contract with any officer, director, employee, shareholder, or Affiliate of Seller or any individual related by marriage or adoption to any such individual or any entity in which any such Person owns any beneficial interest, in each case relating to the Business;
- (xv) warranty agreement with respect to products sold or indemnity agreement with any supplier to the Business under which Seller is obligated to indemnify such supplier against product warranty or infringement or similar claims;
- (xvi) agreements relating to the Business that also relate to ownership of or investments in any business or enterprise, including investments in joint ventures and minority equity investments;
- (xvii) power of attorney relating to the Business executed by or on behalf of Seller;

(xviii) settlement, conciliation, or similar agreements with any Governmental Authority or pursuant to which the Seller, with respect to the Business, is obligated to pay consideration in excess of \$50,000.00 after the date of this Agreement;

(xix) licenses (including all inbound and outbound licenses) relating to the Business, other than licenses for off-the-shelf software solely for the internal use of the Business for an aggregate purchase price of less than \$15,000.00 to which Seller is a party and all other agreements affecting Seller's ability to use, enforce or disclose any Business Proprietary Rights (including concurrent use agreements, settlement agreements and consent to use agreements);

(xx) agreements between the Business, on the one hand, and any other business unit of Seller or any Affiliate of the Seller, on the other hand, that will not be terminated at or prior to the Closing;

(xxi) any Shared Contract; provided however that no Shared Contracts shall be Assumed Contracts; or

(xxii) other agreement material to the Business, whether or not entered into in the Ordinary Course of Business.

(b) Except as specifically disclosed on Schedule 4.12, to the Knowledge of Seller, (i) Seller and the other party thereto have performed all obligations required to be performed by such Person under the contracts or commitments required to be listed on Schedule 4.12 (such contracts set forth, or required to be set forth, on Schedule 4.12, together with each contract or agreement set forth, or required to be set forth, on Schedule 4.13(a), each a "Material Contract") and there is no breach of or default under such contract or commitment or any event which, upon giving of notice or lapse of time or both, would constitute a breach or default (other than breach or default that do not result in economic consequences to the contracting parties), (ii) to the Knowledge of Seller, there is no anticipated breach by any party to any contract or commitment required to be listed on Schedule 4.12, (iii) Seller has not assigned, delegated or otherwise transferred to any Person any of its rights, title or interest under any contract or commitment required to be listed on Schedule 4.12, and (iv) each contract and commitment required to be listed on Schedule 4.12 is legal, valid, binding, enforceable and in full force and effect, and will continue as such following the consummation of the transactions contemplated hereby subject to the receipt of any necessary third party consents (subject to bankruptcy, moratorium and similar laws and subject to the application of specific performance and other equitable principles).

(c) Seller has not executed or otherwise expressly accepted that certain Body Armor Three (3) Year Requirements Contract by and between the Port Authority of NY & NJ and Seller, dated as of September 22, 2011.

(d) Buyer has heretofore been supplied with a true and correct copy of all written contracts (and a true and correct written description of all oral contracts) which are referred to on Schedule 4.12, together with all amendments, exhibits, attachments, waivers or other changes thereto.

4.13 Government Contracts.

(a) Schedule 4.13(a) contains a complete list of all written agreements with Seller and the United States of America or Canada, or any federal agencies or instrumentalities thereof (the "Government Contracts") relating to the Business including accurate information with respect to each such Government Contract's contract name, contract number, contracting agency or prime contractor (as applicable), contract award date, and basis of payment. None of the listed Government Contracts has

been terminated by the applicable Governmental Authority, and Seller has received no notice of breach, non-compliance, default or cure with respect to any of the listed Government Contracts, and, to the Knowledge of Seller, no such termination has been threatened. No Governmental Authority has disallowed, or to the Knowledge of Seller, questioned the propriety of, any costs or charges under the listed Government Contracts, and none of the listed Government Contracts are subject to a withholding, recoupment or set-off in favor of any Governmental Authority.

(b) With respect to every Government Contract relating to the Business:

(i) all invoices and claims for payment submitted by the Seller in connection with each such Government Contract were and continue to be accurate as of their respective submission dates in all material respects;

(ii) Seller has maintained appropriate systems of internal controls that are and have been in compliance in all material respects with all applicable requirements of the Government Contracts and of applicable legal requirements and no such systems of internal controls has, to the knowledge of Seller, been determined by any Governmental Authority to be in material noncompliance with any such requirement and, without limiting the foregoing, the practices and procedures used in estimating costs and pricing proposals and accumulating, recording, segregating, reporting and invoicing costs are in compliance with all applicable provisions of Part 31 (Cost Principles) of the Federal Acquisition Regulation ("FAR") and FAR Part 99 (Cost Accounting Standards);

(iii) no fraud or fraudulent certifications were used in bidding for, winning an award for, or otherwise obtaining any Government Contract relating to the Business;

(iv) Seller has complied in all material respects with the Berry Amendment 10 U.S.C. 2533a, the Kissell Amendment Pub. L. No. 111-5, Section 604, 123 Stat. 115, 165-66 (2009) and all corresponding rules and regulations; and

(v) Seller has not had access to confidential or non public information, nor provided systems engineering, technical direction, consultation, technical evaluation, source selection services or services of any type, nor prepared specifications or statements of work, nor engaged in any other conduct, to the extent that each of the foregoing would create an Organizational Conflict of Interest, as defined in FAR 9.501, with respect to the work performed or anticipated to be performed under any such Government Contract or any proposed contract in connection with a Government Bid.

(c) Seller has made no voluntary or mandatory disclosure to any Governmental Authority with respect to any suspected, alleged or possible fraud, defective pricing, mischarging, improper payments, unauthorized release of information, irregularity, misstatement, omission or violation of law or regulation or any administrative or contractual requirement related to a Government Contract or Government Bid relating to the Business. To Seller's knowledge, Seller has not been and is not now being audited (other than routine audits, including but not limited to system reviews and regularly scheduled incurred-cost audits) or investigated concerning any Government Contract or any Government Bid relating to the Business. Seller has not been the subject of any suspension or debarment proceedings (i.e., prohibited from entering into a Government Contract) in the three (3) years preceding the date of this Agreement by any Governmental Authority.

(d) Except as set forth on Schedule 4.13(d), there has been (i) to Seller's Knowledge, no performance bonds or requirements for performance bonds associated with any Government Bids in respect of a potential Government Contract relating to the Business, (ii) no overhead rate ceiling applicable to any Government Contract relating to the Business, (iii) no outstanding requests for equitable

adjustment or claims asserted by or against a Governmental Authority or any prime contractor, subcontractor, vendor or other third party arising under or relating to any Government Contract or Government Bid relating to the Business that is in respect of a potential Government Contract, or (iv) no outstanding disputes between the Seller, on the one hand, and any prime contractor, subcontractor or vendor, on the other hand, arising under or relating to any Government Contract or Government Bid that is in respect of a potential Government Contract relating to the Business.

(e) Neither the Seller nor any of its directors, officers, employees or Affiliates have, with respect to any Government Contract or any Government Bid relating to the Business: (i) used any funds to offer or provide any unlawful contributions, payments, gifts, gratuities or entertainment; (ii) made any unlawful expenditures relating to political activity to government officials or others; (iii) received written notice (or, to the Knowledge of Seller, any other notice) of any payment identified in (i) or (ii) above; (iv) made or offered or solicited or accepted any contributions, payments, gifts, gratuities, entertainment or any other item or service or any value as a kickback, bribe or for any other reason in violation of the laws, regulations or requirements of any Governmental Authority, including but not limited to the Anti Kickback Act of 1986, as amended, the Truth in Negotiations Act of 1962, as amended, the Office of Federal Procurement Policy Act, as amended, or any provision of the FAR provision implementing such laws, or other similar United States or foreign law; (v) made any material false statement to any official of a Governmental Authority; or (vii) violated in any other material respect any material legal requirement applicable to any Government Bid or Government Contract relating to the Business.

4.14 Proprietary Rights.

(a) The Business Proprietary Rights comprise all of the Proprietary Rights necessary or desirable for the conduct of the Business as currently conducted by Seller and as currently proposed to be conducted by Seller. Subject to the patent licenses set forth on Schedule 4.14, Seller owns and possesses exclusively all right, title and interest in and to or has the valid and enforceable right to use all Business Proprietary Rights. To Seller's Knowledge, Schedule 4.14 sets forth a complete and correct list of: (i) all patented or registered Business Proprietary Rights and pending patent applications or other applications for registration of Business Proprietary Rights owned or used by Seller; (ii) all trademarks used by Seller primarily with respect to the Business (except for "MSA"); (iii) all licenses or similar agreements or arrangements to which Seller is a party, either as licensee or licensor, for the Business Proprietary Rights (other than licenses for off the shelf software solely for internal use by Seller for an aggregate purchase price of less than \$15,000.00); and (iv) all material, customized or proprietary computer software that is either owned by Seller and necessary to the conduct of the Business or is used by Seller or any Affiliate and is necessary to the conduct of the Business. Except as set forth in Schedule 4.14:

(i) Seller owns and possesses exclusively all right, title and interest in, to and under the Business Proprietary Rights listed on Schedule 4.14 as owned by Seller, free and clear of all Liens (other than Permitted Liens). To the knowledge of Seller, all of the Business Proprietary Rights are valid and enforceable in all material respects, and none of the Business Proprietary Rights have been misused, and no claim by any third party contesting the validity, enforceability, use or ownership of any of the Business Proprietary Rights has been made, is currently outstanding, is threatened, and there are no grounds for the same;

(ii) To the extent that any Business Proprietary Rights have been developed or created by any Person other than Seller, Seller has obtained ownership of, and is the exclusive owner of, all such Business Proprietary Rights by operation of law or by valid assignment of any such rights (including the right to seek past and future damages with respect to such Proprietary Rights);

(iii) Except with respect to customer contracts entered into in the Ordinary Course of Business and the patent license agreements set forth in Schedule 4.14, Seller has not transferred ownership of or granted any license of or other right to use or authorized the retention of any rights to use any Business Proprietary Rights to any other Person;

(iv) No Business Proprietary Rights are subject to any order, action or proceeding or "march in" rights that restrict, or that are reasonably expected to restrict in any manner, the use, transfer or licensing of any Business Proprietary Rights or that may affect the validity, use or enforceability of such Business Proprietary Rights;

(v) Except as set forth on Schedule 4.14, no loss or expiration of any Business Proprietary Right is pending or, to the Knowledge of Seller, threatened or reasonably foreseeable;

(vi) Seller has not received any notices of, nor is Seller aware of any facts which indicate a likelihood of, any infringement or misappropriation by, or conflict with, any third party with respect to any Business Proprietary Rights, including any demand or request that Seller license rights from a third party; and

(vii) To the knowledge of Seller, none of (x) the Business Proprietary Rights, (y) the operation of the Business or (z) Seller has infringed, misappropriated or otherwise come into conflict with any rights of any third parties and Seller is not aware of any infringement, misappropriation or conflict which will occur as a result of the continued operation of the Business as currently conducted. To the Knowledge of Seller, no third party has materially infringed, misappropriated or otherwise come in conflict with any Business Proprietary Rights;

(b) Immediately subsequent to the Closing, all Business Proprietary Rights to be assigned by Seller to Buyer pursuant to the terms and conditions of this Agreement are or shall be properly assigned or licensed to Buyer so that immediately subsequent to the Closing, the Business Proprietary Rights will be owned or available for use by Buyer on terms and conditions identical to those under which Seller owned or used the Business Proprietary Rights immediately prior to the Closing. The transactions contemplated by this Agreement shall have no material adverse effect on any of the Business Proprietary Rights. Seller has taken all necessary and desirable action to protect the Business Proprietary Rights and shall continue to maintain such rights prior to and as of Closing so as to not adversely affect the validity or enforcement of such Business Proprietary Rights. To the Knowledge of Seller, the owners of any Business Proprietary Rights or similar proprietary rights licensed to Seller have taken all reasonably necessary actions to maintain and protect the proprietary rights which are subject to such licenses.

(c) Seller has not disclosed any of its trade secrets or Confidential Information to any third party other than pursuant to a confidentiality agreement. Seller has entered into confidentiality agreements and proprietary rights agreements with all of its employees, consultants and independent contractors who contributed to the creation or development of the Business Proprietary Rights acknowledging Seller's sole ownership of all inventions, discoveries, works of authorship and other Business Proprietary Rights created or developed by its employees, consultants and independent contractors within the scope of their employment or hire.

4.15 Litigation. Except as set forth on Schedule 4.15, to Seller's Knowledge there are no (and, during the five (5) years preceding the date hereof, there have not been any) actions, suits, charges, complaints, grievances, proceedings, orders or investigations pending or threatened against or affecting the Business at law or in equity, or before or by any Governmental Authority, and, to the Knowledge of

Seller there is no reasonable belief that there is a reasonable basis for any of the foregoing. Seller is not subject to or bound by any outstanding orders, judgments or decrees of any court or Governmental Authority with respect to the Business, the Purchased Assets, or the Assumed Liabilities.

4.16 Brokerage. Except for arrangements for which Seller shall be solely responsible, there are no claims for brokerage commissions, finders' fees or similar compensation in connection with the transactions contemplated by this Agreement based on any arrangement or agreement made by or on behalf of Seller.

4.17 Employees.

(a) To the Knowledge of Seller, no key employee and no group of employees of Seller has any plans to terminate or modify his or her status as an employee of the Business, including upon consummation of the transactions contemplated hereby. To the Knowledge of Seller, there are no claims, actions, charges, complaints, proceedings, investigations or inquiries pending or threatened against Seller with respect to or by any employee or former employee of the Business and, to the Knowledge of Seller, there are no claims, actions, charges, complaints, proceedings, or inquiries pending or threatened against any employees or former employee of the Business in their capacity as such. Seller has not experienced any strikes, walkouts, work stoppages, picketing, claims of unfair labor practices or other labor disputes relating to the Business. Seller has not engaged in any unfair labor practices relating to the Business. To the Knowledge of Seller, there are no organizational activities presently ongoing or threatened by or on behalf of any labor union with respect to the Business Employees. To the Knowledge of the Seller, all Business Employees are authorized to work in the United States.

(b) Seller has set forth on Schedule 4.17(b) a true, complete and accurate list of each Business Employee and with respect to each such Business Employee as of the date hereof, his or her date(s) of hire by Seller, position and title (if any), current rate of compensation (including bonuses, commissions and incentive compensation, if any), whether such employee is hourly or salaried, whether such employee is exempt or non-exempt, the number of such employee's accrued sick days and vacation days, whether such employee is absent from active employment and, if so, the date such employee became inactive, the reason for such inactive status and, if applicable, the anticipated date of return to active employment.

(c) With respect to this transaction, any notice required under any collective bargaining agreement or law has been given, and all bargaining obligations with any employee representative have been satisfied. Schedule 4.17(c) sets forth, by date and location, the names of all persons related to the Business whose employment was terminated by Seller during the 90-day period prior to the Closing Date.

4.18 Product Warranties. Seller maintains no expressed warranties or guarantees with respect to the products marketed and/or sold or services rendered by the Business, other than those standard terms and conditions described on Schedule 4.18 or else included in the Material Contracts. Except as set forth on Schedule 4.18, to Seller's Knowledge, each product sold or delivered and each service rendered by the Business has been in conformity in all material respects with all applicable contractual commitments and all expressed warranties, and to the Knowledge of Seller, Seller has no material liability or obligation for replacement or repair thereof or other damages in connection therewith, subject only to the reserve for product and service warranty claims set forth on the Latest Balance Sheet.

4.19 Employee Benefit Plans.

(a) Schedule 4.19 lists each "employee benefit plan" (as such term is defined in Section 3(3) of ERISA) maintained or contributed to by (or required to be maintained or contributed to by) Seller

on behalf of any Business Employee or former employee of the Business, and each other material plan, arrangement, policy or understanding (whether written or oral) relating to retirement, compensation, deferred compensation, bonus, severance, fringe benefits or any other employee benefits maintained or contributed to by (or required to be maintained or contributed to by) Seller for the benefit of Business Employee or any former employee of the Business or to which the Business has any liability or potential liability. Each item listed or required to be listed on Schedule 4.19 is referred to herein as a "Seller Employee Benefit Plan."

(b) No Seller Employee Benefit Plan is a "multiemployer plan" as defined in Section 3(37) or 4001(a)(3) of ERISA.

(c) Each Seller Employee Benefit Plan that is intended to be qualified within the meaning of Section 401(a) of the Code has received a determination letter to that effect from the Internal Revenue Service, and nothing has occurred since the date of such letter that cannot be cured within the remedial amendment period provided by Section 401(b) of the Code which would prevent any such Seller Employee Benefit Plan from remaining so qualified. Except as set forth and described in reasonable detail on Schedule 4.19, each Seller Employee Benefit Plan and any related trust, insurance contract or fund has been maintained and funded in all material respects in accordance with its respective terms and the terms of any applicable collective bargaining agreements and in compliance with all applicable laws and regulations, including ERISA and the Code.

(d) Except as set forth and described in reasonable detail on Schedule 4.19, none of Seller Employee Benefit Plans obligates Seller to pay any separation, severance, termination or similar benefit solely as a result of any transaction contemplated by this Agreement or solely as a result of a change in control or ownership within the meaning of Section 280G of the Code.

(e) (i) no Purchased Asset is subject to any Lien under ERISA or the Code; (ii) Seller has not incurred any liability under Title IV of ERISA (other than for contributions not yet due) or to the Pension Benefit Guaranty Corporation (other than for payment of premiums not yet due) with respect to any Seller Employee Benefit Plan; and (iii) there are no pending or threatened actions, suits, investigations or claims with respect to any Seller Employee Benefit Plan (other than routine claims for benefits) which could result in any liability to Buyer (whether direct or indirect), and no facts which could give rise to (or be expected to give rise to) any such actions, suits, investigations or claims to the Knowledge of Seller.

(f) Seller has provided Buyer with a true and correct summary of each material Seller Employee Benefit Plan as of the date hereof.

(g) As of September 30, 2011, the aggregate amount of accrued bonuses for the Business Employees for fiscal year 2011 does not exceed \$90,000.00.

4.20 Insurance. Seller has in place policies of insurance relating to the Business in amounts and scope of coverage as set forth in Schedule 4.20. Each such policy is in full force and effect. Seller has not received any notice that any such policy will be cancelled or will not be renewed nor has Seller received any written notice that cancellation or non-renewal is threatened nor any written notice that any material modification of the terms of any such policy of insurance will be or is threatened to be required as a condition of renewal.

4.21 Compliance with Laws; Permits; Certain Operations.

(a) Seller has, in all material respects, complied and is, in all material respects, in compliance with all applicable laws, ordinances, codes, rules, requirements and regulations of Governmental Authorities and all agencies thereof relating to the operation of the Business and the operation, occupancy and use of the Lease Real Property and no notices have been received by and no claims have been filed against Seller alleging a violation of any such laws, ordinances, codes, rules, requirements or regulations; and

(b) Seller holds all permits, authorizations, licenses, certificates, accreditations or other authorizations of Governmental Authorities required for the lawful conduct of the Business and the operation, occupancy and use of the Lease Real Property, and Schedule 4.21(b) sets forth a list of all of such permits, licenses, certificates, accreditations and other authorizations. Seller is, in all material respects, in compliance with all terms and conditions of any such required permits, licenses, accreditations and authorizations.

(c) As relates to the Business, neither Seller nor the Business, nor any of Seller's Affiliates, nor any agent acting on behalf of Seller or any of its Affiliates has provided, offered, gifted or promised, directly or indirectly, anything of value to any Government Official, political party or candidate for government office, nor provided or promised anything of value to any other person while knowing that all or a portion of that thing of value would or will be offered, given, or promised, directly or indirectly, to any Government Official, political party or candidate for government office, for the purpose of:

(i) (x) influencing any act or decision of such official, party or candidate in his or her official capacity, (y) inducing such official, party or candidate to do or omit to do any act in violation of their lawful duty, or (z) securing any improper advantage; or

(ii) inducing such official, party or candidate to use his or her influence with his or her government or instrumentality to affect or influence any act or decision of such government or instrumentality, in order to assist the Business in obtaining or retaining business for or with, or directing business to, any person.

(d) The Business utilizes effective disclosure controls and procedures and an internal accounting controls system that is sufficient to provide reasonable assurances that promises, offers or payments of the type described in paragraph Section 4.21(c) of this Agreement will be prevented, detected and deterred.

4.22 Compliance with Export and Import Laws. Except as set forth on Schedule 4.22:

(a) With respect to the Business, Seller is in compliance with all applicable Customs & International Trade Laws in all material respects, and at no time in the last five years has Seller committed any material violation of the Customs & International Trade Laws relating to the Business, and there are no material unresolved questions or claims concerning any Liability of Seller relating to the Business with respect to any such Laws;

(b) Without limiting the foregoing, Seller has not received any written notice that the Business is subject to any civil or criminal investigation, audit or any other inquiry involving or otherwise relating to any alleged or actual violation of the Customs & International Trade Laws;

(c) Seller has not received any written notice relating to the Business that any products or materials imported by the Business, or on behalf of the Business where the Business is the importer of record, for which final liquidation has not yet occurred is subject to or otherwise covered by an

antidumping duty order or countervailing duty order that remains in effect or is subject to or otherwise covered by any pending antidumping or countervailing duty investigation by agencies of the United States government; and

(d) Neither the Business, nor Seller with respect to the Business, nor any officer or director of the Business, nor any agent acting on behalf of the Business (i) has been or is designated on any list of any U.S. Governmental Authority, including the U.S. Office of Foreign Assets Control's ("OFAC") Specially Designated Nationals and Blocked Persons List, the U.S. Department of Commerce ("Commerce") Denied Persons List, the Commerce Entity List, and the U.S. Department of State ("State Department") Debarred List, (ii) nor participated in any unauthorized transaction involving such designated person or entity, or any country that is subject to U.S. sanctions administered by OFAC, (iii) nor exported (including deemed exportation) or re-exported, directly or indirectly, any good, technology or services in violation of any applicable U.S. export control or economic sanctions laws, regulations or orders administered by OFAC, Commerce or State Department, (iv) nor participated in any export, re-export or transaction connected with any purpose prohibited by U.S. export control and economic sanctions laws, including, without limitation, support for international terrorism and nuclear, chemical or biological weapons proliferation.

4.23 Environmental Matters. In the conduct of the Business and the ownership and operation of the Purchased Assets, Seller has complied and is in compliance in all material respects with all Environmental and Safety Requirements; Seller has not received any written notice, report or other information regarding any violation of, or liability under Environmental and Safety Requirements. Neither Seller nor any of its Affiliates with respect to the Business has treated, stored, disposed of, arranged for or permitted the disposal of, transported, handled, released, or exposed any Person to, any substance, or owned or operated the Business or any property or facility relating to the Business (including the Leased Real Property) (and, except as set forth on Schedule 4.23, to the Knowledge of Seller, no such property or facility included in the Purchased Assets, including the Leased Real Property, is or has been contaminated by any such substance) in a manner that has given or would give rise to any liabilities or investigative, corrective or remedial obligations to Seller or Buyer pursuant to CERCLA or any other Environmental and Safety Requirements. Seller has furnished to Buyer all environmental audits, reports and other material environmental documents, each of the foregoing to the extent available to Seller, and relating to the past or current operations or facilities of Seller and its predecessors with respect to the Business which are in its possession or under its reasonable control.

4.24 Names and Locations. (i) During the five-year period prior to the execution and delivery of this Agreement, Seller has not, with respect to the Business, used any name or names under which it has invoiced account debtors, maintained records concerning its assets or otherwise conducted business with respect to the Business, other than the name "Paraclete", "MSA Paraclete", "Mine Safety Appliances Company", and "MSA", and (ii) except as set forth on Schedule 4.24, all of the Purchased Assets are located at the Leased Real Property.

4.25 Customers and Suppliers. Schedule 4.25 attached hereto accurately sets forth, with respect to the Business, a list of Seller's top ten (10) customers and suppliers by volume of sales and purchases, respectively, for the fiscal year ended December 31, 2010 and the eight-month period ended August 31, 2011. Since December 31, 2010, Seller has not received any indication from any material supplier of the Business to the effect that, and to Seller's Knowledge, there is no reason to believe that, such supplier will stop, or materially decrease the rate of, supplying materials, products or services to Seller with respect to the Business or that such supplier will limit or change its relationship with the Business. Since December 31, 2010, Seller has not received any indication from any material customer of the Business to the effect that, and Seller has no reason to believe that such customer will stop, or

materially decrease the rate of, buying products or services from the Business or otherwise materially limit or change its relationship with the Business.

4.26 Market Terms. Except as set forth on Schedule 4.26, Seller does not as it relates to the Business (i) purchase or otherwise receive (whether or not through any contract of the kind described in Section 4.12 or Section 4.13) any services, materials or products (including, without limitation, (x) electricity and other utility services or commodities, and (y) raw materials, components and other supplies) other than on terms (including, without limitation, price and whether or not more or less favorable to Seller) that are available in the marketplace to similarly situated businesses operating on a stand alone basis (i.e., not businesses operating as divisions of larger organizations) for such services, materials or products, or (ii) sell, license, lease or otherwise transfer (whether or not through any contract of the kind described in Section 4.12 or Section 4.13) any services, materials or products other than on terms (including, without limitation, price and whether or not more or less favorable to Seller) that are available in the marketplace to similarly situated businesses operating on a stand alone basis (i.e., not businesses operating as divisions of larger organizations) for such services, materials or products. Since December 31, 2010, to Seller's Knowledge, Seller, as it relates to the Business, (1) has received no notification of a materially adverse change in terms (including, without limitation, price) for any services, materials or products to be purchased by Seller, and to the knowledge of Seller, no third party has any plan for any such adverse change in terms (including, without limitation, price); and (2) has not notified its customers of, and has no plans for, a material decrease in price or another change adverse to it in terms for any services, materials or products to be sold, licensed, leased or otherwise transferred by Seller, and Seller has no reason to believe that an adverse change may be required in the future (e.g., a contract providing favorable terms to Seller will expire in the future).

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF BUYER

As an inducement to Seller to enter into this Agreement, Buyer hereby represents and warrants to Seller as follows:

5.1 Corporate Organization and Power. Buyer is a corporation duly formed and validly existing under the laws of the State of Delaware, with full corporate power and authority to enter into this Agreement and the other Transaction Documents to perform its obligations hereunder.

5.2 Authorization. The execution, delivery and performance of this Agreement, the Transaction Documents, and any other agreements contemplated hereby to be executed and delivered by Buyer and the consummation of the transactions contemplated hereby and thereby have been duly and validly authorized by all requisite corporate action on the part of Buyer, and no other corporate proceedings on the part of Buyer are necessary to authorize the execution, delivery or performance of this Agreement, the Transaction Documents or the other agreements contemplated hereby or thereby. This Agreement, the Transaction Documents and the other agreements contemplated hereby to be executed and delivered by Buyer constitute valid and binding obligations of Buyer, enforceable against Buyer in accordance with their respective terms.

5.3 Consents.

(a) Except as set forth on Schedule 5.3(a), Buyer is not required to submit any notice, report or other filing with any Governmental Authority in connection with the execution or delivery by it of this Agreement or the other Transaction Documents or the consummation of the transactions

contemplated hereby and thereby and no consent, approval or authorization of any governmental or regulatory authority is required to be obtained by Buyer in connection with the execution and delivery of this Agreement or the other Transaction Documents or the consummation of the transactions contemplated hereby or thereby.

(b) Except as set forth on Schedule 5.3(b), no consent, approval or authorization of any third party is required to be obtained by Buyer in connection with the execution and delivery of this Agreement or the other Transaction Documents or the consummation of the transactions contemplated hereby or thereby.

5.4 Brokerage. Except for arrangements for which Buyer shall be solely responsible, there are no claims for brokerage commissions, finders' fees or similar compensation in connection with the transactions contemplated by this Agreement based on any arrangement or agreement made by or on behalf of Buyer.

5.5 Litigation. There are no actions, suits, proceedings, orders or investigations pending or, to Buyer's knowledge, threatened against or affecting Buyer at law or in equity, or before or by any Governmental Authority, which would adversely affect Buyer's performance under this Agreement, the Transaction Documents, or the consummation of the transactions contemplated hereby or thereby.

ARTICLE VI

ADDITIONAL AGREEMENTS

6.1 Survival of Representations and Warranties. The representations and warranties in this Agreement and the Schedules attached hereto or in any writing delivered by any party to any of the other parties in connection with this Agreement shall survive the Closing as follows:

(a) the representations and warranties in Section 4.1 (Organization and Power), Section 4.2 (Authorization; No Breach) (except as such Section relates to Material Contracts), Section 4.10(a), (c) and (d) (Assets), Section 4.11 (Tax Matters) and Section 4.16 (Brokerage) (collectively, the "Fundamental Representations"), Section 5.1 (Organization and Power), Section 5.2 (Authorization) and Section 5.4 (Brokerage) (the representations in Section 5.1, Section 5.2 and Section 5.4, collectively, the "Buyer Fundamental Representations") shall terminate in accordance with applicable statutes of limitations periods;

(b) the representations and warranties in Section 4.10(b) shall survive until the date which is the eighteen (18) month anniversary of the Closing Date;

(c) the representations and warranties in Section 4.19(g) shall survive until the date which is the six (6) month anniversary of the Closing Date; and

(d) all other representations and warranties in this Agreement and the Schedules attached hereto or in any writing delivered by any Party to any other Party in connection with this Agreement shall terminate as of the Closing;

provided that any Fundamental Representation or Buyer Fundamental Representation, as well as the representations and warranties in Section 4.10(b) and Section 4.19(g), in respect of which indemnity may be sought under Section 6.2, and the indemnity with respect thereto, shall survive the time at which it would otherwise terminate pursuant to this Section 6.1 if notice of the inaccuracy or breach or potential

inaccuracy or breach thereof giving rise to such right or alleged right of indemnity shall have been given to the Party against whom such indemnity may be sought prior to such time. The representations and warranties in this Agreement and the Schedules attached hereto or in any writing delivered by any Party to any other Party in connection with this Agreement shall survive for the periods set forth in this Section 6.1 and shall in no event be affected by any investigation, inquiry or examination made for or on behalf of Buyer or Seller, or the knowledge of any of Buyer's or Seller's officers, directors, shareholders, employees or agents or the acceptance by Buyer or Seller of any certificate or opinion hereunder.

6.2 General Indemnification.

(a) Indemnification for the Benefit of Buyer. Seller shall indemnify the Buyer Parties and save and hold each of them harmless against and pay on behalf of or reimburse such Buyer Parties as and when incurred for any Losses which any such Buyer Party may suffer, sustain or become subject to, as a result of, in connection with, relating or incidental to or by virtue of (i) any breach of any Fundamental Representation or warranty of Seller under this Agreement, any representation or warranty in Section 4.10(b) and Section 4.19(g), or any of their related Schedules attached hereto, (ii) any nonfulfillment or breach of any covenant or agreement by Seller under this Agreement or any of their related Schedules attached hereto, (iii) any liability or obligation of Seller which is an Excluded Liability, (iv) any liability or obligation under a Government Contract which is an Assumed Contract and relates to pre-Closing periods (including (x) any Losses relating to government discount requirements, whether relating to price reductions under 48 C.F.R. 552.238-75 or otherwise, and (y) any liability or obligation relating to contract number PD/C0145/11 with the United Nations arising from or related to the fact that delivery under such contract was, at the time of Closing, past-due), (v) the amount by which the Target Inventory Amount exceeds the Closing Inventory Amount as set forth in Section 6.3 below, (vi) the amount of the aggregate capital expenditures and costs incurred by Buyer and its Affiliates with respect to repair of the roof of the Leased Real Property located at 106 East Clark Street, St. Pauls, North Carolina 28384, arising from damage occurring before the Closing Date (not to exceed \$20,000.00 in the aggregate), (vii) any Losses or liability incurred by the Buyer Parties with respect to Seller's pre-Closing default arising under the lease for the Leased Real Property, (viii) Re-works performed in satisfaction of claims relating to the Business prior to Closing as described in to Section 2.2(a)(i) above; provided, that Seller shall not have any liability under this Section 6.2(a)(viii) unless the aggregate of all such Losses relating thereto exceeds on a cumulative basis an amount equal to \$20,000.00, at which time Seller shall be liable for all such Losses in excess of \$20,000.00, and (ix) any Losses or liabilities incurred by the Buyer Parties as a result of its repair and/or replacement of Paraclete Products arising under the warranties of Seller or its Affiliates for products sold by Seller or its Affiliates related to the Business prior to the Closing; provided, that, for Losses relating to breaches of warranties not relating to ballistics, Seller shall not have any Liability under this Section 6.2(a)(ix) except to the extent that the aggregate of all such Losses relating to such breaches exceeds on a cumulative basis an amount equal to \$10,000.00, at which time Seller shall be liable for the full amount of all such Losses from and including the first dollar of any Losses (it being agreed and understood that Seller shall indemnify Buyer for all Losses arising from breaches of warranties relating to ballistics); provided further, that for the avoidance of doubt, and without limiting the definition of "Loss" contained in this Agreement, Losses relating to Re-works in Section 6.2(a)(viii) and warranty repair and/or replacement in Section 6.2(a)(ix) shall include the hourly labor cost of employees performing such Re-works or warranty repairs and/or replacements and the cost of any materials and supplies used therein. Nothing in this Agreement (including this Section 6.2(a)) shall limit or restrict any of Buyer Parties' rights to maintain or recover any amounts in connection with any action or claim based upon fraudulent misrepresentation or breach of any representation or warranty made by Seller in this Agreement. Notwithstanding any other provision in this Agreement to the contrary, Seller's aggregate total liability to Buyer pursuant to this Agreement and the transactions contemplated hereby, for all purposes other than liability relating to fraud shall be capped at the Purchase Price.

(b) Indemnification for the Benefit of Seller. Buyer shall indemnify Seller and hold it harmless against any Losses which Seller may suffer, sustain or become subject to, as the result of, in connection with, relating or incidental to or by virtue of (i) any breach of any Buyer Fundamental Representation or warranty of Buyer under this Agreement or any of the Schedules attached hereto, (ii) any nonfulfillment or breach of any covenant or agreement by Buyer under this Agreement or any of the Schedules attached hereto, (iii) any Assumed Liability, including any liability or obligation under a Government Contract which is an Assumed Contract and relates to post-Closing periods, and (iv) any Losses or liability incurred by Seller with respect to Buyer's post-Closing default arising under the lease for the Leased Real Property, as assigned to Buyer pursuant to this Agreement. Nothing in this Agreement (including this Section 6.2(b)) shall limit or restrict any of Seller's rights to maintain or recover any amounts in connection with any action or claim based upon fraudulent misrepresentation or breach of any representation or warranty made by Buyer in this Agreement Notwithstanding any other provision in this Agreement to the contrary, Buyer's aggregate total liability to Seller pursuant to this Agreement and the transactions contemplated hereby, for all purposes other than liability arising from fraud shall be capped at the Purchase Price.

(c) Upon the occurrence of any event of indemnity or potential indemnity pursuant to this Section 6.2, the party seeking indemnification ("Indemnitee") shall promptly notify the indemnifying party ("Indemnitor") in writing of such claim describing such claim in reasonable detail; provided, that the failure to timely provide such notice shall not affect the obligations of the indemnifying party unless (and only to the extent) such failure shall have caused the damages for which the Indemnitor is obligated to be greater than such damages would have been had the Indemnitee given the Indemnitor prompt notice hereunder. In the event that such claim involves a claim by a third party, the Indemnitor shall acknowledge in writing that it has an obligation to, and shall, provide indemnification to the Indemnitee in full (with no reservation of rights) and then, and only then, shall the Indemnitor have the right to assume the defense of such claim at its own expense. Upon such an assumption of defense by Indemnitor, the Indemnitee will cooperate in connection with such defense, and shall have the right to retain counsel (subject to prior approval of the Indemnitor, which shall not be unreasonably withheld) and participate in such defense at its own expense if, in its reasonable judgment, it is advisable for it to have separate counsel; provided that the fees and expenses of such separate counsel that are incurred prior to the date on which the Indemnitor effectively assumes control of such defense shall be borne by the Indemnitor. If the defense of such claim is not assumed as herein provided following the Indemnitor's receipt of notice, then the Indemnitee may defend, settle and compromise such claim following the prior written notification to the Indemnitor, all at the expense of the Indemnitor. Each of the parties shall make available to the other all records and other materials required in order to contest a third party claim and shall cooperate fully with the other in the defense of all such claims. Any consent to judgment or settlement in connection with any judicial proceedings or enforcement actions based on matters within the scope of this Section 6.2(c) shall include, as an unconditional term thereof, the release of each party from all liability in connection therewith. The foregoing shall be subject to the following two provisions:

(i) the Indemnitor shall not be entitled to assume control of such defense and shall pay the fees and expenses of counsel retained by the Indemnitee if (A) the claim for indemnification relates to or arises in connection with any criminal proceeding, action, indictment, allegation or investigation; (B) the Indemnitee and Indemnitor, in good faith, reasonably believe an adverse determination with respect to the action, lawsuit, investigation, proceeding or other claim giving rise to such claim for indemnification would be detrimental to or injure the Indemnitee's reputation or future business prospects; (C) the claim seeks an injunction or equitable relief against the Indemnitee; (D) upon petition by the Indemnitee, the appropriate court rules that the Indemnitor failed or is failing to vigorously prosecute or defend such claim; or (E) the Indemnitee reasonably believes that the Loss relating to such claim for indemnification could exceed the maximum amount that such Indemnitee could then be entitled to recover under the applicable provisions of this Agreement; and

(ii) if the Indemnitor shall control the defense of any such claim, the Indemnitor shall obtain the prior written consent of the Indemnitee before entering into any settlement of a claim or ceasing to defend such claim if, pursuant to or as a result of such settlement or cessation, injunctive or other equitable relief will be imposed against the Indemnitee or if such settlement does not expressly and unconditionally release the Indemnitee from all liabilities and obligations with respect to such claim, with prejudice.

(d) Manner of Payment. Any indemnification of the Buyer Parties or Seller pursuant to this Section 6.2 shall be effected by wire transfer of immediately available funds from Seller or Buyer, as the case may be, to an account designated by Buyer or Seller, as the case may be, within thirty (30) days after the determination thereof. Any such indemnification payments shall include interest at a rate per annum equal to the prime rate of interest announced from time to time in The Wall Street Journal calculated on the basis of the actual number of days elapsed over 360, from the date any such Loss is suffered or sustained to the date of payment. The Buyer Parties shall have the right and option (but not the obligation) to recoup all or any portion of any Losses they may suffer after determination of such indemnification claim to which they may be entitled under this Section 6.2 by notifying Seller that Buyer is reducing any amount otherwise payable by Buyer pursuant to the Promissory Note. All indemnification payments under this Section 6.2 shall be deemed adjustments to the Purchase Price set forth in Section 2.3 above, including for Tax purposes.

6.3 Adjustment and Payment of Inventory Amount.

(a) Within thirty (30) days following the Closing Date, Buyer shall conduct a physical inventory and prepare and deliver to Seller a statement of its determination of the Closing Date Inventory Amount (the "Closing Date Inventory Statement") reflecting the Closing Date Inventory Amount. Seller shall be afforded a reasonable opportunity to participate in the physical inventory count. Regardless of whether Seller participates in the physical inventory count, Seller shall cooperate in the preparation of the Closing Date Inventory Statement to the extent reasonably requested by Buyer. The Closing Date Inventory Statement shall use the same or similar methodology as was used to calculate the Target Inventory Amount. Such Closing Date Inventory Statement shall become final and binding upon the parties unless Seller gives written notice of its disagreement ("Notice of Disagreement") to Buyer within thirty (30) days following its receipt thereof. Any such Notice of Disagreement shall specify in reasonable detail the nature of any disagreement so asserted. During a period of thirty (30) days following the aforesaid 30-day period, Buyer and Seller shall attempt in good faith to resolve in writing any differences which they may have with respect to any matter specified in any Notice of Disagreement. If at the end of such 30-day period the Buyer and the Seller have failed to reach written agreement with respect to all of such matters, then all disputed matters as specified in any Notice of Disagreement (the "Disputed Matters"), shall be submitted to Duff & Phelps LLP (the "Valuation Firm") for binding arbitration. Despite the Valuation Firm's designation as "Valuation Firm", adjustments pursuant to this section shall not include any determination of fair value for purposes of Buyer's purchase accounting. Seller and Buyer agree to use reasonable efforts to cause the Valuation Firm to render a decision resolving the matters within 30 days following submission. If the Disputed Matters are submitted to the Valuation Firm for resolution, (i) the determination by the Valuation Firm, as set forth in a notice delivered to both parties by the Valuation Firm, will be binding and conclusive on the parties. The fees and expenses of the Valuation Firm shall be allocated to the parties as determined (as set forth in the final determination) by the Valuation Firm based upon the relative success (in terms of percentages) of each party's claims. For example, if the final determination reflects a 60-40 compromise of the parties' claims, the Valuation Firm would allocate expenses 40% to the party whose claims determined to be 60% successful and 60% to the party whose claim was determined to be 40% successful. Buyer and the Seller agree to execute, if requested by the Valuation Firm, a reasonable engagement letter, including customary indemnification provisions in favor of the Valuation Firm.

(b) No later than the tenth (10th) business day following the final determination of the Closing Inventory Amount reflected on the Closing Date Inventory Statement, if such Closing Inventory Amount is less than the Target Inventory Amount, Seller will pay the difference to Buyer in immediately available funds an amount equal to such difference. Payments to Buyer shall be made by wire transfer to such bank account as the Buyer shall specify in writing to Seller.

(c) All payments under this Section 6.3 shall be deemed adjustments to the Purchase Price set forth in Section 2.3 above, including for Tax purposes.

6.4 Employee Related Matters.

(a) Transferred Employees. Schedule 4.17(b) contains a complete list of all Business Employees. As of the Closing Date, Buyer shall offer employment to all of the Business Employees set forth on Schedule 4.17(b) and such offers of employment shall contain terms and conditions of employment that Buyer shall determine in its sole discretion. On the Closing Date, Seller shall take all steps necessary to terminate the employment of each Business Employee. The Business Employees who accept Buyer's offer of employment and who become actively employed by Buyer shall be referred to herein as "Transferred Employees." Except as set forth on Schedule 6.4(a), prior to the Closing Date, Seller shall take all actions necessary to vest each Transferred Employee in his or her benefits under the Seller Employee Benefit Plans and shall make all employee and employer contributions to Seller Employee Benefit Plans in which Business Employees currently participate, for all periods of employee service prior to the Closing Date for all Business Employees without regard to any last day of work or hours requirement.

(b) Other Matters. Seller shall be responsible for all Seller liabilities, obligations and commitments relating to compensation of the Transferred Employees arising as a result of the transactions contemplated by this Agreement, including any severance compensation, retention, change-in-control and bonus payments.

(c) Mutual Cooperation. Seller shall provide promptly to Buyer, at Buyer's request, any information or copies of personnel records (including addresses, dates of birth, date of hire and dependent information) relating to the Transferred Employees or relating to the service of Transferred Employees with Seller (and predecessors of Seller, as applicable) prior to the Closing Date. Seller and Buyer shall each cooperate with the other and shall provide to the other such documentation, information and assistance as is reasonably necessary to effect the provisions of this Section 6.4.

(d) Payroll Taxes. Buyer and Seller agree that the payroll Taxes of the Transferred Employees shall be treated in accordance with the Alternative Procedure of Section 5 of Revenue Procedure 2004-53.

(e) No Third Party Beneficiaries. Nothing in this Section 6.4 or any other provision of this Agreement shall be construed to modify, amend, or establish any benefit plan, program or arrangement or in any way affect the ability of the Parties hereto or any other Person to modify, amend or terminate any of its benefit plans, programs or arrangements. Nothing in this Agreement shall confer upon any Transferred Employee any right with respect to continued employment with Buyer, nor shall anything herein limit or interfere with Buyer's right to terminate the employment of any Transferred Employee at any time (subject to applicable law), with or without cause or notice, or restrict Buyer in the exercise of independent business judgment in modifying any terms or conditions of employment of the Transferred Employees on and after the Closing Date.

6.5 Expenses. Except as otherwise expressly provided in Section 6.9 below, each Party hereto shall pay all of its own costs and expenses (including attorneys', accountants' and investment bankers' fees and other out-of-pocket expenses) in connection with the negotiation and execution of this Agreement, the performance of its obligations hereunder and the consummation of the transactions contemplated hereby. Without limiting the foregoing, each party shall pay its own expenses incurred in connection with its efforts to satisfy the conditions to the other party's obligation to consummate the transactions contemplated hereby.

6.6 Novation. Seller shall, with the cooperation of Buyer, present each Novation Agreement requested by the Buyer to the applicable Governmental Authorities for approval within five (5) days following the Closing, and shall provide such other information required under the FAR to the relevant contracting officer, in each case executed by Seller as required by Buyer.

6.7 Further Transfers; Transition Assistance. Seller shall execute and deliver such further instruments of conveyance and transfer and take such additional action as Buyer may reasonably request to effect, consummate, confirm or evidence the transfer to Buyer of the Purchased Assets (including taking all efforts to transfer to Buyer the full benefit of all Government Contracts), the assumption by Buyer of the Assumed Liabilities and the conduct by Buyer of the Business (including with respect to obtaining and maintaining all licenses, permits, authorizations, accreditations and consents necessary or desirable in connection therewith), and Seller shall execute such documents as may be reasonably necessary to assist Buyer in preserving or perfecting its rights in the Purchased Assets and its ability to conduct the Business. Following the Closing, Seller and Buyer agree (i) to cooperate with each other and to provide each other with all information and documentation reasonably necessary to permit the preparation and filing of all federal, state, local and other Tax Returns with respect to the Business, the making of any election relating to Taxes, the preparation for any audit by any taxing authority, and the prosecution or defense of any refund, claim, suit or proceeding relating to any Tax and (ii) to cooperate with each other in the conduct of any refund, audit or other proceeding relating to Taxes involving the Business, the Purchased Assets or the Assumed Liabilities; provided that each Party shall reimburse the other Party for such other Party's reasonable out-of-pocket expenses in connection therewith. Seller agrees that subsequent to the Closing it shall (and shall cause its Affiliates to) refer all customer inquiries with respect to the Business to Buyer. Seller further acknowledges and agrees that, to the extent Seller or any of its Affiliates receives a customer order subsequent to the Closing for the purchase of both Paraclete Products and other products of Seller either (I) pursuant to an agreement which (a) is an Assumed Contract not successfully assigned to Buyer at Closing; (b) relates to such an Assumed Contract; or (c) otherwise relates to any pre-Closing contract of Seller or its Affiliates for the purchase of any Paraclete Products by a third party along with Seller products other than Paraclete Products (including, without limitation, Seller's GSA Contract (GS-07F-9628G)) or (II) which would have been fulfilled by the Business prior to Closing but for the consummation of the Closing, then Seller shall promptly deliver to Buyer a purchase order, in form and substance substantially similar to, and no less favorable than, those terms included in the applicable Assumed Contract or other pre-Closing contract (or, if there is no such applicable contract, substantially similar to, and no less favorable than those terms which Seller would have provided but for the Closing), including the identical price and payment terms as were specified therein (or would have been provided thereby), and Buyer shall have the obligation to fulfill such orders and Seller or its Affiliates must purchase such products from Buyer on the terms set forth in such purchase order (and upon which Buyer shall accept Seller's purchase order with the same terms). Seller further acknowledges and agrees on behalf of itself and its Affiliates, that for any purchase order governed by the immediately preceding sentence, neither Seller nor its Affiliates shall rescind such purchase order. The obligation for Seller or its Affiliates to remit payment to Buyer pursuant to such purchase orders shall not be triggered until Seller or its Affiliate (as the case may be) has received payment in full from the applicable third party, it being agreed and understood that Seller shall seek to collect such payments from third parties in a timely manner and that the terms of payment between Seller

and the applicable third party shall be for payment to be made to Seller no later than thirty (30) days after delivery of the underlying goods (except to the extent that pre-existing, pre-Closing payment terms between Seller and third parties extend past thirty (30) days, in which case such longer terms will apply as between Seller and Buyer) and, provided, further, that, Seller shall remit payments to Buyer no later than fourteen (14) days after Seller's receipt of such payments from the applicable third party. Buyer shall hold harmless and indemnify Seller and its Affiliates from all Losses incurred by Seller or its Affiliates to the extent arising from such Paraclete Products as delivered by Buyer pursuant to this Section 6.7, including but not limited to Losses for Re-works or warranty claims. Notwithstanding the foregoing, all orders received by Seller from third parties relating solely to Paraclete Products (whether or not placed pursuant to Assumed Contracts or relating thereto) shall be forwarded from Seller to Buyer, and Seller shall have no further responsibility or obligation related to the acceptance, processing, or fulfillment of such orders. The terms of this Section 6.7 shall be in addition to, and not in replacement of, the terms and provisions of Section 2.6 of this Agreement. For further clarity and for the avoidance of doubt, the Parties agree and acknowledge that the intent of this Section 6.7 is that: (x) orders placed with Seller and its Affiliates relating solely to Paraclete Products shall be directly forwarded to Buyer by Seller and its Affiliates; (y) orders placed with Seller and its Affiliates relating partially to Paraclete Products shall be processed by Seller and subsequently forwarded to Buyer by Seller and its Affiliates; and (z) notwithstanding clauses (x) and (y), orders placed with Seller which are governed by a subcontract by and between Buyer and Seller shall be performed in accordance with the terms of such subcontract.

6.8 Confidentiality.

(a) After the Closing, Seller shall (and shall cause its directors, officers, employees and Affiliates to) maintain as confidential and shall not use or disclose (except as required by law or as authorized in writing by Buyer) any Confidential Information of Buyer. Seller further agrees to take all appropriate steps (and to cause each of its officers, directors, employees and Affiliates to take all appropriate steps) to safeguard such Confidential Information of Buyer and to protect it against disclosure, misuse, espionage, loss and theft. In the event Seller is required by law to disclose any Confidential Information of Buyer, it shall promptly notify Buyer in writing, which notification shall include the nature of the legal requirement and the extent of the required disclosure, and shall cooperate with Buyer to preserve the confidentiality of such information consistent with applicable law. Seller shall (and shall cause its directors, officers, employees and Affiliates to) maintain in effect all confidentiality agreements with employees of Seller relating to the Business who are not Transferred Employees. Seller shall take all necessary actions to cause its Affiliates and their officers, directors and employees to comply with the terms of this Section 6.8. Seller shall be liable for any breach of this Section 6.8 by any of Seller's directors, officers, employees, and Affiliates.

(b) After the Closing, Buyer shall (and shall cause its directors, officers, employees and Affiliates to) maintain as confidential and shall not use or disclose (except as required by law or as authorized in writing by Seller) any Confidential Information of Seller. Buyer further agrees to take all appropriate steps (and to cause each of its officers, directors, employees and Affiliates to take all appropriate steps) to safeguard such Confidential Information of Seller and to protect it against disclosure, misuse, espionage, loss and theft. In the event Buyer is required by law to disclose any Confidential Information of Seller, it shall promptly notify Seller in writing, which notification shall include the nature of the legal requirement and the extent of the required disclosure, and shall cooperate with Seller to preserve the confidentiality of such information consistent with applicable law.

6.9 Tax Matters.

(a) Sales and Transfer Taxes and Leased Real Property Rent. All sales, use, excise, value-added, goods and services, transfer, recording, documentary, registration, conveyancing and similar

taxes that may be imposed on the sale and transfer of the Purchased Assets (including any stamp, duty or other tax chargeable in respect of any instrument transferring property, real or personal, or any interest in real property, and any recording fees or expenses payable in connection with the sale and transfer of the Business Proprietary Rights), together with any and all penalties, interest and additions to tax with respect thereto ("Transfer Taxes"), shall be paid fifty-percent (50%) by Seller and the remaining fifty-percent (50%) by Buyer, and Buyer shall be responsible for remitting all such applicable taxes unless otherwise required by law. Buyer and Seller shall cooperate in timely making all filings, returns, reports and forms as may be required to comply with the provisions of applicable law in connection with the payment of any such taxes described in the immediately preceding sentence. Buyer and Seller shall cooperate in providing each other with appropriate resale exemption certification and other similar tax and fee documentation. Leased Real Property rent prepaid by Seller for the month of the Closing shall be reimbursed by Buyer, prorated on the basis of the number of calendar days elapsed in the month of Closing as of the Closing Date divided by the total number of calendar days in such month (i.e., Seller shall be responsible for 13/31 of such October 2011 rent). The Parties acknowledge and agree that the amount of Transfer Taxes and Leased Real Property rent allocated in accordance with this Section 6.9(a) shall be paid upon reconciliation of the Closing Inventory Amount pursuant to Section 6.3. In the event that the Closing Date Inventory exceeds the Target Inventory, and notwithstanding that Seller under such circumstances is not entitled to an inventory adjustment payment in its favor, such reconciliation shall require Buyer to reimburse Seller, within ten (10) business days following the final determination of the Closing Inventory Amount pursuant to Section 6.3, for Seller's pro rata portion of such prepaid Leased Real Property rent after deducting Seller's 50% portion of Transfer Taxes.

(b) Straddle Periods. In the case of any taxable period that includes (but does not end on) the Closing Date (a "Straddle Period"), the amount of any Taxes based on or measured by income or receipts for the Pre-Closing Tax Period shall be determined based on an interim closing of the books as of the close of business on the Closing Date (and for such purpose, the taxable period of any partnership or other pass-through entity in which Seller or any of its Subsidiaries holds a beneficial interest shall be deemed to terminate at such time) and the amount of other Taxes (including property Taxes) for a Straddle Period that relates to the Pre-Closing Tax Period shall be deemed to be the amount of such Tax for the entire taxable period multiplied by a fraction the numerator of which is the number of days in the Pre-Closing Tax Period and the denominator of which is the number of days in such Straddle Period.

6.10 Confidentiality Agreements. As of the Closing, Seller hereby assigns to Buyer all of its rights under all confidentiality agreements with prospective bidders entered into in connection with the process leading to the sale of the Business. In addition, Seller will not release any prospective buyers from their obligations under any such confidentiality agreements.

6.11 Covenant Not to Compete, Solicit or Hire.

(a) Seller hereby acknowledges that Seller is familiar with the Business' trade secrets and with other Confidential Information. Seller acknowledges and agrees that Buyer and its Affiliates would be irreparably damaged if Seller were to provide services or to otherwise participate in the business of any Person competing with the Business in a similar business and that any such competition by Seller would result in a significant loss of goodwill by Buyer in respect of the Business. Seller further acknowledges and agrees that the covenants and agreements set forth in this Section 6.11 were a material inducement to Buyer to enter into this Agreement and to perform its obligations hereunder, and that Buyer and its Affiliates would not obtain the benefit of the bargain set forth in this Agreement as specifically negotiated by the parties hereto if Seller breached the provisions of this Section 6.11. Therefore, in further consideration of the amounts to be paid hereunder for the Purchased Assets and the goodwill of the Business sold in connection therewith, Seller agrees that for a period of five (5) years following the Closing Date Seller shall not, and shall not permit any of its Affiliates to, directly or

indirectly, either for itself, himself or herself or through any other Person, engage in, participate in, or permit such Person's name to be used by any enterprise engaging in or participating in, the business of producing, manufacturing, marketing, distributing or selling Paraclete Products, other than with respect to such dealings Seller or its Affiliates may have with Buyer following the Closing Date. For purposes of this Agreement, the term "participate" includes any direct or indirect interest in any enterprise, whether as a stockholder, member, partner, joint venturer, franchisor, franchisee, executive, consultant or otherwise (other than by ownership of less than five percent (5%) of the stock of a publicly held corporation) or rendering any direct or indirect service or assistance to any Person. Seller agrees that this covenant is reasonably designed to protect Buyer's substantial investment and is reasonable with respect to its duration, geographical area and scope.

(b) For so long as Seller has continuing obligations under Section 6.11(a) above, Seller shall not (and Seller shall cause its Affiliates not to) directly, or indirectly through another Person, (i) induce or attempt to induce any employee of the Business to leave the employ of Buyer or any of its Subsidiaries, or in any way interfere with the relationship between Buyer or any of its Subsidiaries and any such employee, (ii) induce, solicit to hire or hire any person who was an employee of Buyer or any of its Subsidiaries at any time during the six-month period immediately prior to the date on which such hiring would take place (it being conclusively presumed by the Parties so as to avoid disputes under this Section 6.11(b) that any such solicitation, inducement or hiring within such six-month period is in violation of clause (i) above), or (iii) call on, solicit or service any customer, supplier, licensee, licensor or other business relation of the Business or any of its Subsidiaries in order to induce or attempt to induce such Person to cease doing or decrease their business with Buyer or any of its Subsidiaries, or in any way interfere with the relationship between any such customer, supplier, licensee or business relation and Buyer (including making any negative statements or communications about Buyer or any of its Subsidiaries); provided, however, that the prohibitions set forth in clauses (i) and (ii) of this Section 6.11(b) shall not preclude (x) the posting by Seller of a general advertisement seeking employees that is not directed at employees of Buyer or any of its Subsidiaries or the Business or (y) Seller from hiring or offering to hire any person (other than a Protected Employee, as set forth on Schedule 6.11(b)) who responds to such advertisement.

(c) If, at the time of enforcement of any of the provisions of this Section 6.11, a court determines that the restrictions stated herein are unreasonable under the circumstances then existing, then the Parties hereto agree that the maximum period, scope or geographical area reasonable under the circumstances shall be substituted for the stated period, scope or area. The Parties further agree that such court shall be allowed to revise the restrictions contained herein to cover the maximum period, scope or geographical area permitted by law.

(d) If Seller or any of their Affiliates (the "Restricted Persons") breaches, or threatens to commit a breach of, any of the provisions of this Section 6.11 (the "Restrictive Covenants"), Buyer shall have the following rights and remedies, each of which rights and remedies shall be independent of the others and severally enforceable, and each of which is in addition to, and not in lieu of, any other rights and remedies available to Buyer at law or in equity:

(i) The right and remedy to have the Restrictive Covenants specifically enforced by any court of competent jurisdiction, it being agreed that any breach or threatened breach of the Restrictive Covenants would cause irreparable injury to Buyer and that money damages would not provide an adequate remedy to Buyer; and

(ii) The right and remedy to require the Restricted Persons to account for and pay over to Buyer any profits, monies, accruals, increments or other benefits derived or received by the Restricted Persons as the result of any transactions constituting a breach of the Restrictive Covenants.

6.12 Transition Services to be Provided by Seller and Affiliates.

(a) Transition Services. From the Closing Date through the Termination Date (as defined in Section 6.12(e) below), Seller and its Affiliates shall provide to Buyer, on the terms set forth herein, (i) the services listed on Exhibit B attached hereto, including services that are ancillary or incidental thereto and (ii) any other services requested by Buyer in writing and agreed to with the prior written consent of Seller (such services described in clauses (i) and (ii) collectively, the “Transition Services”). With respect to (ii) above, Seller shall work in good faith to consider Buyer’s requests for additional Transition Services in determining whether to provide its agreement to add such services to the scope of this Section 6.12 and Seller’s consent shall not be unreasonably withheld. Seller and its Affiliates shall perform the Transition Services in all cases in a professional and workmanlike manner. Without limiting the foregoing, the Transition Services shall be performed with at least the same degree of care, skill and diligence with which such services were historically provided by Seller (either directly or indirectly through Affiliates or unaffiliated third parties) to the Business, including with respect to the quality and timeliness of such services.

(b) Pricing Methodology. The fees for each Transition Service are set forth on Exhibit B.

(c) Invoices. Seller shall invoice Buyer monthly in arrears for the Transition Services and, Buyer shall pay Seller within thirty (30) days after receipt of any invoice. Each billing invoice shall set forth in reasonable detail the applicable Transition Services provided during such period and the corresponding amounts owed for each of the Transition Services. If Buyer in good faith disputes any charges contained in an invoice, Buyer shall promptly submit to Seller written notice of such dispute and may withhold from Buyer’s payment of the relevant invoice any such disputed amounts up to a maximum of the amount for the Transition Service(s) to which such dispute relates. Buyer shall remit to the Seller the invoiced amount minus the amount withheld pursuant to the first sentence of this Section 6.12(c). In the event of a partial termination pursuant to Section 6.12(d) below or a complete termination pursuant to Section 6.12(e), in each case which termination is effective in the middle of a billing cycle, the amount owed for services performed shall be prorated based on the number of uninvoiced days in which the services were performed.

(d) Partial Termination. Buyer may terminate the provision of any Transition Service (in whole or in part) fifteen (15) days following the date upon which Buyer notifies Seller in writing that Buyer no longer requires such Transition Service. Any election to terminate any Transition Service or a portion thereof shall not relieve Seller and its Affiliates of their continuing duty to provide those Transition Services or portions thereof that have not been terminated.

(e) Complete Termination. The provision of Transition Services shall commence on the Closing Date and shall terminate upon the earliest to occur of the following (the “Termination Date”):

- (i) March 31, 2012;
- (ii) fifteen (15) days following the date upon which Buyer notifies Seller in writing that Buyer no longer requires Seller and its Affiliates to provide any Transition Services; and
- (iii) such other date as the Parties may mutually agree upon in writing.

(f) Remedies. Because of the special nature of the Transition Services and the disruption to Buyer that could ensue from Seller’s and its Affiliates’ failure to provide any of the Transition Services to Buyer, the Parties agree that Buyer would be irreparably harmed by any such

failure. For these reasons, Seller (on behalf of itself and its Affiliates) agrees that Buyer shall be entitled to injunctive relief, including the specific performance of the Transition Services, in addition to all other remedies available to Buyer in law or at equity or otherwise, for any such failure to provide any of the Transition Services to Buyer.

6.13 Use of Name. Other than as contemplated by this Agreement (and then only for the time periods and in the capacity set forth herein), neither Seller nor its Affiliates shall use a name bearing any substantial similarity to "Paraclete" in the operation of their businesses after the Closing.

6.14 Collections. After the Closing, Seller shall promptly (but in no event later than ten (10) days after receipt thereof) deliver to Buyer any cash, checks or other property that it receives in connection with or relating to the operation of the Business following the Closing. After the Closing, Buyer agrees to promptly (but in no event later than ten (10) days after receipt thereof) deliver to Seller any cash, checks or other property that it receives which (i) does not relate to the Business or (ii) relates to pre-Closing periods of the Business.

6.15 Property Expense Apportionment. The following items relating to the Purchased Assets shall be apportioned at the Closing in an equitable manner as of the close of business on the Closing Date so that the income and expense items with respect to the period up to and including the Closing Date, without regard to when the same are payable, shall be for Seller's account and the income and expense items with respect to the period after the Closing Date shall be for Buyer's account:

(a) Personal property Taxes, real property Taxes and other similar Taxes, if any, on the basis of the fiscal year for which assessed. If the Closing Date shall occur before the tax rate or assessment is fixed for any fiscal year, the apportionment of such Taxes at the Closing shall be based upon a reasonable estimate mutually agreed upon by Buyer and Seller and the amount of such Taxes attributable to Seller shall be paid over to Buyer at Closing; provided that Buyer and Seller shall recalculate and reproporate said taxes and make the necessary cash adjustments promptly upon the issuance, and on the basis, of the actual tax bills received for any such fiscal year; and

(b) Utilities and other apportionments and adjustments as are customarily apportioned upon the transfer of property similar to the Leased Real Property.

For purposes of this section, the term "equitable manner" shall mean that Seller shall be allocated such items based on a fraction, the numerator of which is the number of days in the applicable taxable or fiscal period prior to and including the Closing Date and the denominator of which is the total number of days in such taxable period, and Buyer shall be allocated the remainder.

6.16 Replacement Products. The parties acknowledge and agree that Seller has retained as an Excluded Liability potential liability arising from that certain contract between LA County and LN Curtis, to the extent that LN Curtis has agreed to replace, at no charge to LA County, all ballistic plates delivered by LN Curtis to LA County in connection with LA County Contract MA-IS-43973-2 dated June 3, 2009. Buyer covenants and agrees that upon receipt of any notice, request or demand from LA County or LN Curtis to replace such plates, Buyer shall promptly tender such notice to Seller, and take no further action with respect to the replacement of such plates until such time as set forth below in this Section 6.16. Within thirty (30) days of Seller's receipt of such notice from Buyer, Seller shall provide written notice to Buyer setting forth Seller's proposed course of action with respect to handling the request or demand from LA County or LN Curtis (the "Seller Response"). Within ten (10) days of the earlier of (i) Buyer's receipt from Seller of such written Seller Response or (ii) the expiration of the thirty (30) day period following Buyer's delivery of notice to Seller of LA County's or LN Curtis's request or demand, Buyer shall either (a) if a Seller Response is received, in good faith, either (x) confirm its acceptance of Seller's

proposed course of action set forth in the Seller Response or (y) reject such proposal in the Seller Response, providing its basis for the rejection, or (b) if no Seller Response is received, use reasonable efforts to replace the applicable plates in response to the request or demand of LA County or LN Curtis. The parties shall work together in good faith to resolve any rejection, if any, as set forth in (a)(y) in the immediately preceding sentence; provided however, that upon the failure of the parties to reach a mutually agreeable outcome within ten (10) days of Seller's receipt of Buyer's rejection, if any, Buyer may use reasonable efforts to replace the applicable plates in response to the request or demand of LA County or LN Curtis. In the event that Buyer complies with the notice provision set forth in the second sentence of this Section 6.16 (if applicable) and the Seller Response dispute period set forth in the fourth sentence of this Section 6.16, Seller shall indemnify the Buyer Parties and save and hold each of them harmless against any Losses which any such Buyer Party may suffer by virtue of any claims raised by LN Curtis or LA County related to such plates (including the costs incurred by Buyer to replace such plates, including costs of materials and supplies and the hourly costs of employees devoted thereto), notwithstanding any other indemnification deductible, survival period, or cap that may be contained elsewhere in this Agreement, it being the intent of Seller to absolve Buyer from all Losses in connection therewith.

6.17 Affiliate Retained Contracts. Notwithstanding Section 6.7 above, and solely with respect to all existing written contracts between Seller Affiliates and third parties for the sale of Paraclete Products extending beyond the Closing Date and listed on Schedule 6.17, Buyer covenants and agrees to sell to such Seller Affiliates the Paraclete Products from and after the Closing Date in such quantities and upon such terms and conditions as may be negotiated by the parties, but in no event upon any terms and conditions which may be materially different from those extended by Buyer to its other customers in the ordinary course of business; provided however, that Buyer shall not charge a sales price to any such Seller Affiliate in excess of the Seller's transfer margin to such Seller Affiliate as of the Closing Date.

6.18 Re-work Claims. Buyer will in good faith process Re-work claims as specified in Section 2.2(a)(i) above in accordance with normal and customary business practices for the nature of the given products. Buyer shall provide Seller a reasonable opportunity, at Seller's sole cost and expense and at the location specified by Buyer, to reasonably inspect and discuss with Buyer all claims in excess of the \$20,000.00 Re-works basket within thirty (30) days of Buyer making such claim.

6.19 Warranty Claims. Buyer will in good faith process warranty claims as specified in Section 2.2(a)(v) above in accordance with normal and customary business practices for the nature of the given products. Buyer shall provide Seller a reasonable opportunity, at Seller's sole cost and expense and at the location specified by Buyer, to reasonably inspect and discuss with Buyer all claims in excess of the \$10,000.00 warranty basket within thirty (30) days of Buyer making such claim.

6.20 International Business Opportunities. Seller has cultivated two (2) large, potential business opportunities for the sale of Paraclete Products, as more fully described below. Seller covenants and agrees to continue diligently pursuing each opportunity following the Closing, working in connection with Buyer. Seller acknowledges and agrees that, except with respect to its covenant below to pay a mutually agreeable commission to Seller upon the completion of any such opportunities, if consummated, Buyer shall otherwise have no obligation to Seller with respect to this Section 6.20, and Seller acknowledges and agrees that Buyer shall have no obligation to enter into or consummate either opportunity or any arrangement relating to such opportunities or to ship products relating thereto. However, to the extent that either opportunity results in sales shipped by Buyer within the five (5) year period immediately following the Closing, Buyer covenants and agrees to pay a mutually agreed upon commission to Seller based on the amount of such sales shipped by Buyer. Buyer shall pay all earned commissions to Seller at the times mutually agreed upon by the Parties.

(a) Opportunity #1 is for the sale of ballistic carriers, plates and pouches to a NATO friendly Middle East country and is expected to be valued at between U.S. \$40 million and \$80 million. Seller estimates a total of 40,000 "users" of the Paraclete Products pursuant to this opportunity. Seller estimates that a total of \$38 million in RAV carriers, \$8 million in armor accessories (such as groin/collar protectors), \$26 million in front and rear plates, and \$3.5 million in pouches are available pursuant to this opportunity.

(b) Opportunity #2 is for the sale of ballistic carriers, plates and pouches to a customer in India, and includes numerous other Seller products that are not Paraclete Products. Seller estimates that a total of 1,036 ballistic vests and 1,036 ballistic plates are available pursuant to this opportunity.

6.21 Port Authority Agreement. The Parties agree and acknowledge that that certain Body Armor Three (3) Year Requirements Contract by and between the Port Authority of NY & NJ and Seller, dated as of September 22, 2011, shall, to the extent a binding agreement has been entered into by Seller and the Port Authority of NY & NJ as of Closing, be an Assumed Contract and, pursuant to Section 2.6 of this Agreement, Seller will seek to obtain the consent of the Port Authority of NY & NJ to assign such contract to Buyer; provided, however, that if Seller does not have any legally binding obligations under such document as of Closing (i.e., no contract has been formed), Seller covenants and agrees to continue diligently pursuing such opportunity following the Closing, working in connection with Buyer, on terms satisfactory to Buyer. The Parties acknowledge and agree that it is the intent of the Parties that Buyer receives all benefits of such agreement as if it were an Assumed Contract.

ARTICLE VII

MISCELLANEOUS

7.1 Amendment and Waiver. This Agreement may be amended, and any provision of this Agreement may be waived; provided that any such amendment or waiver shall be binding upon a Party only if set forth in a writing executed by such Party and referring specifically to the provision alleged to have been amended or waived. No course of dealing between or among the Parties shall be deemed effective to modify, amend or discharge any part of this Agreement or any rights or obligations of any Party under or by reason of this Agreement and a waiver of any provision by any Party on one occasion shall not be deemed to be a waiver of the same or any other breach on a future occasion.

7.2 Notices. All notices, requests, demands and other communications permitted or required to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed conclusively to have been given (i) when personally delivered, (ii) when sent by facsimile (with hard copy to follow) during a business day (or on the next business day if sent after the close of normal business hours or on any non-business day), (iii) one (1) business day after being sent by reputable overnight express courier (charges prepaid), or (v) three (3) business days following mailing by certified or registered mail, postage prepaid and return receipt requested. Unless another address is specified in writing, notices, requests, demands and communications to the Parties shall be sent to the addresses indicated below:

Notices to Seller:

Mine Safety Appliances Company
1000 Cranberry Woods Drive
Cranberry Township, PA 16066

Attention: Dennis L. Zeitler, Executive Vice President, CFO and Treasurer
Telecopy No. (724) 741-1589

with a copy to:
(which shall not constitute notice to Seller)
Mine Safety Appliances Company
1000 Cranberry Woods Drive
Cranberry Township, PA 16066
Attention: Douglas K. McClaine, Vice President, Secretary and General Counsel
Telecopy No. (724) 741-1590

Notices to Buyer:

Protective Products Enterprises, Inc.
c/o Sun Capital Partners, Inc.
5200 Town Center Circle, Suite 600
Boca Raton, FL 33486
Attn: Jason H. Neimark,
G. Brian McGee
and C. Deryl Couch
Telecopy No. (561) 394-0540

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

Kirkland & Ellis LLP
300 North LaSalle
Chicago, IL 60654
Attn: Douglas C. Gessner, P.C.
and Jeremy S. Liss
Telecopy No. (312) 862-2200

7.3 Assignment.

(a) This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns, except that neither this Agreement nor any of the rights, interests or obligations hereunder may be assigned or delegated by Seller without the prior written consent of Buyer.

(b) In addition, Buyer may assign in whole or in part its rights and obligations pursuant to this Agreement (including the right to purchase the Purchased Assets and the obligation to assume the Assumed Liabilities) and all other agreements, documents and instruments executed and/or delivered in connection herewith to one or more of its Affiliates, and Buyer may, in its sole discretion, direct Seller to convey the Purchased Assets, in whole or in part, to one or more of its Affiliates. Buyer may assign this Agreement, all other agreements, documents and instruments executed and/or delivered in connection herewith, and its rights and obligations hereunder and thereunder in connection with a merger or consolidation involving Buyer or in connection with a sale of stock (or other ownership interests) or assets of Buyer or other disposition of all or any portion of the Business. Buyer may assign any or all of its rights pursuant to this Agreement, including its rights to indemnification, and all other agreements,

documents and instruments executed and/or delivered in connection herewith, to any of its lender(s) as collateral security.

7.4 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement or the application of any such provision to any person or circumstance shall be held to be prohibited by or invalid, illegal or unenforceable under applicable law in any respect by a court of competent jurisdiction, such provision shall be ineffective only to the extent of such prohibition or invalidity, illegality or unenforceability, without invalidating the remainder of such provision or the remaining provisions of this Agreement. Furthermore, in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Agreement a legal, valid and enforceable provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible.

7.5 Interpretation. The headings and captions used in this Agreement and the table of contents to this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Any capitalized term used in any Schedule or Exhibit attached hereto and not otherwise defined therein shall have the meaning set forth in this Agreement. The use of the word "including" herein shall mean "including without limitation." The word "or" is used in the inclusive sense of "and/or". The Parties hereto intend that each representation, warranty and covenant contained herein shall have independent significance. If any Party has breached any representation, warranty or covenant contained herein in any respect, the fact that there exists another representation, warranty or covenant relating to the same subject matter (regardless of the relative levels of specificity) which such Party has not breached shall not detract from or mitigate the fact that such Party is in breach of the first representation, warranty or covenant.

7.6 Entire Agreement. This Agreement and the agreements and documents referred to herein contain the entire agreement and understanding between the Parties hereto with respect to the subject matter hereof and supersede all prior agreements and understandings, whether written or oral, relating to such subject matter in any way.

7.7 Electronic Delivery; Counterparts. This Agreement and any signed agreement or instrument entered into in connection with this Agreement, and any amendments hereto or thereto, may be executed in one or more counterparts, all of which shall constitute one and the same instrument. Any such counterpart, to the extent delivered by means of a facsimile machine or by .pdf, .tif, .gif, .peg or similar attachment to electronic mail (any such delivery, an "Electronic Delivery") shall be treated in all manner and respects as an original executed counterpart and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any Party hereto, each other Party hereto or thereto shall re-execute the original form of this Agreement and deliver such form to all other Parties. No Party hereto shall raise the use of Electronic Delivery to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of Electronic Delivery as a defense to the formation of a contract, and each such Party forever waives any such defense, except to the extent such defense relates to lack of authenticity.

7.8 Governing Law. THE LAW OF THE STATE OF DELAWARE SHALL GOVERN ALL QUESTIONS CONCERNING THE CONSTRUCTION, VALIDITY, INTERPRETATION AND ENFORCEABILITY OF THIS AGREEMENT AND THE SCHEDULES ATTACHED HERETO, AND THE PERFORMANCE OF THE OBLIGATIONS IMPOSED BY THIS AGREEMENT, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICT OF LAW RULES OR PROVISIONS (WHETHER OF THE STATE OF DELAWARE OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF DELAWARE.

7.9 WAIVER OF TRIAL BY JURY. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY LITIGATION, ACTION, PROCEEDING, CROSS-CLAIM, OR COUNTERCLAIM IN ANY COURT (WHETHER BASED ON CONTRACT, TORT, OR OTHERWISE) ARISING OUT OF, RELATING TO OR IN CONNECTION WITH (I) THIS AGREEMENT OR THE VALIDITY, PERFORMANCE, INTERPRETATION, COLLECTION OR ENFORCEMENT HEREOF OR (II) THE ACTIONS OF THE PARTIES IN THE NEGOTIATION, AUTHORIZATION, EXECUTION, DELIVERY, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT HEREOF.

7.10 No Strict Construction. Notwithstanding the fact that this Agreement has been drafted and prepared by one of the Parties, Buyer and Seller confirm that they and their respective counsel have reviewed, negotiated and adopted this Agreement as the joint agreement and understanding of the Parties, and the language used in this Agreement shall be deemed to be the language chosen by the Parties hereto to express their mutual intent, and no rule of strict construction shall be applied against any Person.

7.11 Specific Performance. Each of the Parties acknowledges and agrees that the other Party would be damaged irreparably in the event any of the provisions of this Agreement are not performed in accordance with their specific terms or otherwise are breached. Accordingly, each of the Parties agrees that the other Party shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically this Agreement and the terms and provisions hereof in any action instituted in any court of the United States or any state thereof having jurisdiction over the Parties and the matter (subject to the provisions set forth in Section 7.8 above), in addition to any other remedy to which they may be entitled, at law or in equity.

7.12 No Third-Party Beneficiaries. This Agreement is for the sole benefit of the Parties hereto and their permitted assigns and nothing herein expressed or implied (including Sections 6.2 and 6.4), shall give or be construed to give any Person, other than the Parties hereto and such permitted assigns, any legal or equitable rights hereunder.

7.13 Bulk Transfer Laws. Buyer hereby waives compliance by Seller with the provisions of any so-called bulk transfer laws, including the provisions of all applicable provisions of Article 6 of the Uniform Commercial Code as adopted in any state, of any jurisdiction in connection with the sale of the Purchased Assets. Seller agrees to indemnify Buyer against all liability, damage or expense which Buyer may suffer due to the failure to so comply or to provide notice required by any such law, including so-called bulk transfer laws.

7.14 Schedules. Nothing in any Schedule attached hereto shall be adequate to disclose an exception to a representation or warranty made in this Agreement unless such Schedule identifies the exception with reasonable particularity and describes the relevant facts in reasonable detail. Without limiting the generality of the foregoing, the mere listing (or inclusion of a copy) of a document or other item shall not be adequate to disclose an exception to a representation or warranty made in this Agreement, unless the representation or warranty has to do with the existence of the document or other item itself, or otherwise calls for a list of such items. No exceptions to any representations or warranties disclosed on one Schedule shall constitute an exception (i) to a representation or warranty unless such representation or warranty calls for exceptions set forth on the Schedules, or (ii) to any other representations or warranties made in this Agreement unless such exception is disclosed as provided herein on each such other applicable Schedule or the applicability of such disclosure is readily apparent as an exception to such other representation or warranty. All Schedules attached hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein.

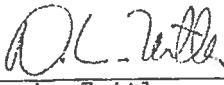
7.15 Checks Outstanding. After the Closing, Seller shall cause all “cut” but uncashed checks written by Seller on the Business’s behalf prior to the Closing to clear its bank accounts.

7.16 Publicity. None of the Parties shall issue or approve a news release or other public announcement concerning this Agreement or the transactions contemplated herein without the prior approval of the other Parties as to the contents of such announcement and its release, which approval shall not be unreasonably withheld.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Parties hereto have caused this Asset Purchase Agreement to be duly executed as of the date and year first written above.

MINE SAFETY APPLIANCES COMPANY

By: 
Name: Dennis L. Zeitler
Its: Senior Vice President, Chief Financial Officer and Treasurer

PROTECTIVE PRODUCTS ENTERPRISES, INC.

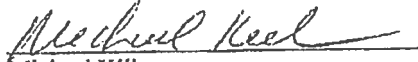
By: 
Name: Michael Kilbane
Its: CEO, President and Secretary

EXHIBIT A

SUBORDINATION AGREEMENT

See attached.

SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT (this "Agreement"), dated as of October 14, 2011, is by and among WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association ("Senior Creditor" as hereinafter further defined) and MINE SAFETY APPLIANCES COMPANY, a Delaware corporation ("Junior Creditor" as hereinafter further defined). Senior Creditor and Junior Creditor are sometimes individually referred to herein as "Creditor" and collectively as "Creditors."

W I T N E S S E T H:

WHEREAS, Protective Products Enterprises, Inc., a Delaware corporation ("Borrower"), has incurred certain indebtedness to Junior Creditor which is unsecured; and

WHEREAS, Senior Creditor has entered into financing arrangements with Borrower and the other Debtors (as hereinafter defined), pursuant to which Senior Creditor may, upon certain terms and conditions, make loans and provide other financial accommodations to Borrower secured by certain assets and properties of Debtors; and

WHEREAS, in order to induce Senior Creditor to continue the financing arrangements with Debtors, Junior Creditor has agreed to the subordination in right of payment of the existing and future obligations of Debtors to Junior Creditor to the payment of the existing and future obligations of Debtors to Senior Creditor and related matters as set forth below;

NOW THEREFORE, in consideration of the mutual benefits accruing to Creditors hereunder and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto do hereby agree as follows:

1. DEFINITIONS

As used above and in this Agreement, the following terms shall have the meanings ascribed to them below:

1.1 "Agreements" shall mean, collectively, the Senior Creditor Agreements and the Junior Creditor Agreements.

1.2 "Creditors" shall mean, collectively, Senior Creditor and Junior Creditor and their respective successors and assigns.

1.3 "Debtors" shall mean collectively, the following (together with its successors and assigns, including, without limitation, a receiver, trustee or debtor-in-possession on behalf of such person or on behalf of any such successor or assign): (a) Borrower, (b) Protective Products Holding Corp., a Delaware corporation, and (c) Protective Products Intermediate Holding Corp., a Delaware corporation; each sometimes referred to herein individually as a "Debtor".

1.4 "Insolvency Proceeding" shall mean, as to any Person, any of the following: (a) any case or proceeding with respect to such Person under the U.S. Bankruptcy Code or any other Federal or State bankruptcy, insolvency, reorganization or other law affecting creditors' rights

generally or any other or similar proceedings seeking any stay, reorganization, arrangement, composition or readjustment of the obligations and indebtedness of such Person or (b) any proceeding seeking the appointment of any trustee, receiver, liquidator, custodian or other insolvency official with similar powers with respect to such Person or any or all of its assets or properties or (c) any proceedings for liquidation, dissolution or other winding up of the business of such Person or (d) any assignment for the benefit of creditors or any marshaling of assets of such Person.

1.5 “Junior Creditor” shall mean Mine Safety Appliances Company, a Delaware corporation, and its successors and assigns.

1.6 “Junior Creditor Agreements” shall mean, collectively, (a) the Subordinated Note, (b) the Asset Purchase Agreement, dated October 14, 2011, between Borrower and Junior Creditor (the “Asset Purchase Agreement”), and (c) all of the other agreements, documents and instruments at any time executed and/or delivered by any Debtor or any other person to, with or in favor of Junior Creditor in connection therewith or related thereto, as all of the foregoing now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced.

1.7 “Junior Debt” shall mean all obligations, liabilities and indebtedness of every kind, nature and description owing by any Debtor to Junior Creditor, including principal, interest, charges, fees, premiums, indemnities and expenses, however evidenced, whether as principal, surety, endorser, guarantor or otherwise, whether arising under or evidenced by the Junior Creditor Agreements or otherwise, whether now existing or hereafter arising, whether arising before, during or after the initial or any renewal term of the Junior Creditor Agreements or after the commencement of any case with respect to any Debtor under the U.S. Bankruptcy Code or any similar statute or any other Insolvency Proceeding (and including, without limitation, any principal, interest, fees, costs, expenses and other amounts, whether or not such amounts are allowable in whole or in part, in any such case or similar proceeding), whether direct or indirect, absolute or contingent, joint or several, due or not due, primary or secondary, liquidated or unliquidated, secured or unsecured, and whether arising directly or howsoever acquired by Junior Creditor.

1.8 “Payment in Full” shall mean, as to any Senior Debt, the final payment and satisfaction in full in immediately available funds of all of such Senior Debt and the termination of the commitments of Senior Creditor (but not including for this purpose the refinancing or replacement of the Senior Creditors). If after receipt of any payment of, or proceeds of collateral applied to the payment of, any Senior Debt, Senior Creditor is required to surrender or return such payment or proceeds to any person for any reason, then the Senior Debt intended to be satisfied by such payment or proceeds shall be reinstated and continue as if such payment or proceeds had not been received by such holder.

1.9 “Person” or “person” shall mean any individual, sole proprietorship, partnership, corporation (including, without limitation, any corporation which elects subchapter S status under the Internal Revenue Code of 1986, as amended), limited liability company, limited liability partnership, business trust, unincorporated association, joint stock company, trust, joint

venture, or other entity or any government or any agency or instrumentality or political subdivision thereof.

1.10 "Senior Creditor" shall mean Wells Fargo Bank, National Association, a national banking association, and its successors and assigns (and including any other lender or group of lenders that at any time refinances, replaces or succeeds to all or any portion of the Senior Debt or is otherwise party to the Senior Creditor Agreements).

1.11 "Senior Creditor Agreements" shall mean, collectively, the Loan and Security Agreement, dated May 23, 2011, among Senior Creditor and Debtors, and all of the other agreements, documents and instruments at any time executed and/or delivered by any Debtor or any other person to, with or in favor of Senior Creditor in connection therewith or related thereto, as all of the foregoing now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated, refinanced, replaced or restructured (in whole or in part and including any agreements with, to or in favor of any other lender or group of lenders that at any time refinances, replaces or succeeds to all or any portion of the Senior Debt).

1.12 "Senior Debt" shall mean all obligations, liabilities and indebtedness of every kind, nature and description owing by any Debtor to Senior Creditor and/or its affiliates, or participants, including principal, interest, charges, fees, premiums, indemnities and expenses, however evidenced, whether as principal, surety, endorser, guarantor or otherwise, whether arising under the Senior Creditor Agreements or otherwise, whether now existing or hereafter arising, whether arising before, during or after the initial or any renewal term of the Senior Creditor Agreements or after the commencement of any case with respect to any Debtor under the U.S. Bankruptcy Code or any similar statute or any other Insolvency Proceeding (and including, without limitation, any principal, interest, fees, costs, expenses and other amounts, whether or not such amounts are allowable either in whole or in part, in any such case or similar proceeding), whether direct or indirect, absolute or contingent, joint or several, due or not due, primary or secondary, liquidated or unliquidated, secured or unsecured, and whether arising directly or howsoever acquired by Senior Creditor.

1.13 "Subordinated Note" shall mean the Subordinated Promissory Note, dated of even date herewith, by Borrower in favor of Junior Creditor in the original principal amount of \$1,000,000.

1.14 All terms used herein which are defined in the Uniform Commercial Code as in effect in the State of New York, unless otherwise defined herein shall have the meanings set forth therein. All references to any term in the plural shall include the singular and all references to any term in the singular shall include the plural.

2. SUBORDINATION OF JUNIOR DEBT

2.1 Subordination. Except as specifically set forth in Section 2.2 below, Junior Creditor hereby subordinates its right to payment and satisfaction of the Junior Debt and the payment thereof, directly or indirectly, by any means whatsoever, is deferred, to the Payment in Full of the Senior Debt.

2.2 Permitted Payments. Senior Creditor hereby agrees that, notwithstanding anything to the contrary contained in Section 2.1 hereof, (a) Borrower may make, and Junior Creditor may receive and retain, (i) regularly scheduled payments of interest in cash, on an unaccelerated basis, in respect of the Junior Debt in accordance with the terms of the Subordinated Note (as in effect on the date hereof), so long as, on the date of any such payment and after giving effect thereto, no Default or Event of Default (as such terms are defined in the Senior Creditor Agreements) shall have occurred and be continuing, and (ii) regularly scheduled non-cash payments of interest in respect of the Junior Debt in accordance with the terms of the Subordinated Note (as in effect on the date hereof) in the form of additional Junior Debt having the same terms as the Junior Debt existing under the Subordinated Note (as in effect on the date hereof), and (b) in the event that, after the date hereof, Borrower sells any of the “autoclave” equipment acquired by Borrower pursuant to the Asset Purchase Agreement, Borrower may make, and Junior Creditor may receive and retain, a mandatory prepayment of principal in respect of the Junior Debt in an amount equal to the lesser of (x) the net cash proceeds received by Borrower from such sale, and (y) the then unpaid principal amount of the Junior Debt, so long as, on the date of any such prepayment and after giving effect thereto, no Default or Event of Default (as such terms are defined in the Senior Creditor Agreements) shall have occurred and be continuing. Notwithstanding the foregoing, until the Payment in Full of the Senior Debt, in no event shall Borrower or any other Debtor make any other payments of principal in respect of the Junior Debt or any other prepayments, non-mandatory payments or any payments pursuant to the acceleration or claims of breach or to acquire Junior Debt or otherwise.

2.3 Distributions.

(a) In the event of any distribution, division, or application, partial or complete, voluntary or involuntary, by operation of law or otherwise, of all or any part of the assets of any Debtor or the proceeds thereof to the creditors of such Debtor or readjustment of the obligations and indebtedness of any Debtor, in any Insolvency Proceeding, or upon the sale of all or substantially all of any Debtor’s assets, then, and in any such event, (i) Senior Creditor shall first receive Payment in Full of all of the Senior Debt prior to the payment of all or any part of the Junior Debt, and (ii) Senior Creditor shall be entitled to receive any payment or distribution of any kind or character, whether in cash, securities or other property, which be payable or deliverable in respect of any or all of the Junior Debt.

(b) Junior Creditor hereby authorizes and empowers Senior Creditor in any Insolvency Proceeding to file a proof of claim on behalf of Junior Creditor with respect to the Junior Debt (i) if Junior Creditor fails to file such proof of claim prior to thirty (30) days before the expiration of the time period during which such claims must be submitted, or (ii) if Senior Creditor, in good faith, determines that any statements or assertions in a proof of claim filed by Junior Creditor are not consistent with the terms and conditions hereof; provided, that, any failure of Senior Creditor to file such proof of claim shall not be deemed to be a waiver by Senior Creditor of any of the rights and benefits granted herein by Junior Creditor. Junior Creditor shall provide Senior Creditor with a copy of any proof of claim filed by Junior Creditor in any Insolvency Proceeding.

(c) Junior Creditor hereby irrevocably grants Senior Creditor authority and power in any Insolvency Proceeding, unless and until this Agreement is terminated in accordance with

its terms: (i) to accept and receive any payment or distribution which may be payable or deliverable at any time upon or in respect of the Junior Debt; and (ii) to take such other action as may be necessary or advisable to effectuate the foregoing. Junior Creditor shall provide to Senior Creditor all information and documents necessary to present claims or seek enforcement as described in the immediately preceding sentence. To the extent necessary for Senior Creditor to realize the benefits of the subordination of the Junior Debt provided for herein (including the right to receive any payment and distributions which might otherwise be payable or deliverable in respect of the Junior in any Insolvency Proceeding or otherwise), Junior Creditor shall execute and deliver to Senior Creditor such instruments or documents (together with such assignments or endorsements as Senior Creditor shall deem necessary), as may be reasonably requested by Senior Creditor.

(d) Junior Creditor hereby agrees that, while it shall retain the right to vote its claims and, except as otherwise provided in this Agreement, otherwise act in any Insolvency Proceeding relative to any Debtor (including, without limitation, the right to vote to accept or reject any plan of partial or complete liquidation, reorganization, arrangement, composition, or extension), Junior Creditor shall not: (i) take any action or vote in any way so as to directly or indirectly challenge or contest (A) the validity or the enforceability of any of the Senior Creditor Agreements or the liens and security interests granted to Senior Creditor with respect to the Senior Debt, (B) the rights and duties of Senior Creditor established in the Senior Creditor Agreements, or (C) the validity or enforceability of this Agreement; (ii) seek, or acquiesce in any request, to dismiss any Insolvency Proceeding or to convert an Insolvency Proceeding under Chapter 11 of the Bankruptcy Code to a case under Chapter 7 of the Bankruptcy Code; (iii) seek, or acquiesce in any request for, the appointment of a trustee or examiner with expanded powers for any Debtor; (iv) propose, vote in favor of or otherwise approve a plan of reorganization, arrangement or liquidation, or file any motion or pleading in support of any plan of reorganization, arrangement or liquidation, unless it provides that for the Payment in Full of the Senior Debt or unless Senior Creditor has approved of the treatment of its claims with respect to the Senior Debt under such plan; (v) object to the treatment under a plan of reorganization or arrangement of the claims with respect to the Senior Debt; (vi) seek relief from the automatic stay of Section 362 of the Bankruptcy Code or any other stay in any Insolvency Proceeding in respect of any portion of the Collateral; or (vii) directly or indirectly oppose any relief requested or supported by Senior Creditor, including any sale or other disposition of property free and clear of the liens and security interests of Junior Creditor under Section 363(f) of the Bankruptcy Code or any other similar provision of applicable law.

(e) Senior Creditor shall not in any event be liable for: (i) any failure to prove the Junior Debt; (ii) any failure to exercise any rights with respect thereto; (iii) any failure to collect any sums payable thereon; or (iv) any impairment or nonpayment of the Junior Debt that results, directly or indirectly, from the exercise by Senior Creditor of any of their rights or remedies under this Agreement, the Senior Creditor Agreements or under applicable law.

2.4 Payments Received by Junior Creditor. Except for payments received by Junior Creditor as provided in Section 2.2 above, should any payment or distribution or security or instrument or proceeds thereof be received by the Junior Creditor in respect of the Junior Debt, Junior Creditor shall receive and hold the same in trust, as trustee, for the benefit of Senior Creditor, segregated from other funds and property of Junior Creditor and shall forthwith deliver

the same to Senior Creditor (together with any endorsement or assignment of Junior Creditor where necessary), for application to any of the Senior Debt. In the event of the failure of Junior Creditor to make any such endorsement or assignment to Senior Creditor, Senior Creditor, or any of its officers or employees, are hereby irrevocably authorized on behalf of Junior Creditor to make the same.

2.5 Instrument Legend and Notation. Any instrument at any time evidencing the Junior Debt, or any portion thereof, shall be permanently marked on its face with a legend conspicuously indicating that payment thereof is subordinate in right of payment to the Senior Debt and subject to the terms and conditions of this Agreement, and (a) after being so marked certified copies thereof shall be delivered to Senior Creditor and (b) the original of any such instrument shall be immediately delivered to Senior Creditor upon Senior Creditor's request, at any time on or after the occurrence of an event of default under the Senior Creditor Agreements. In the event any legend or endorsement is omitted, Senior Creditor, or any of its officers or employees, are hereby irrevocably authorized on behalf of Junior Creditor to make the same. No specific legend, further assignment or endorsement or delivery of notes, guarantees or instruments shall be necessary to subject any Junior Debt to the subordination thereof contained in this Agreement.

3. COVENANTS, REPRESENTATIONS AND WARRANTIES

3.1 Additional Covenants. Junior Creditor and Debtors agree in favor of Senior Creditor that:

(a) except as specifically set forth in Section 2.2 above, no Debtor shall, directly or indirectly, make and Junior Creditor shall not, directly or indirectly, accept or receive any payment of principal or interest or any prepayment or non-mandatory payment or any payment pursuant to acceleration or claims of breach or any payment to acquire Junior Debt or otherwise in respect of any Junior Debt;

(b) notwithstanding any rights or remedies available to it under the Junior Creditor Agreements, applicable law or otherwise, Junior Creditor shall not, directly or indirectly, (i) seek to collect from any Debtor any of the Junior Debt or exercise any of its rights or remedies upon a default or event of default by any Debtor under the Junior Creditor Agreements or otherwise, (ii) commence any Insolvency Proceeding against any Debtor or its properties, or (iii) take any other action against any Debtor or its properties;

(c) no Debtor shall grant to Junior Creditor, and Junior Creditor shall not acquire, any security interest, lien, claim or encumbrance on any assets or properties of any Debtor or any guarantees for any of the Junior Debt;

(d) Junior Creditor and Debtors shall not amend, modify, alter or change in any material respect any of the Junior Creditor Agreements the terms of any arrangements related to the Junior Debt;

(e) Junior Creditor shall not sell, assign, pledge, encumber or otherwise dispose of any of the Junior Debt and guarantees, if any, or subordinate any of the Junior Debt to any indebtedness of Debtors other than the Senior Debt;

(f) Junior Creditor and Debtors shall, at any time or times upon the request of Senior Creditor, promptly furnish to Senior Creditor a true, correct and complete statement of the outstanding Junior Debt; and

(g) Junior Creditor and Debtors shall execute and deliver to Senior Creditor such additional agreements, documents and instruments and take such further actions as may be reasonably necessary or desirable in the opinion of Senior Creditor to effectuate the provisions and purposes of this Agreement.

3.2 Additional Representations and Warranties.

(a) Junior Creditor and Debtors represent and warrant to Senior Creditor that:

(i) as of the date hereof the principal amount of the Junior Debt is \$1,000,000;

(ii) Junior Creditor has no security interest, lien, claim or encumbrance on any assets and properties of any Debtor and the Junior Debt is unsecured;

(iii) as of the date hereof, no default or event of default, or event which with notice or passage of time or both would constitute an event of default exists or has occurred under the Junior Creditor Agreements;

(iv) Junior Creditor is the exclusive legal and beneficial owner of all of the Junior Debt;

(v) none of the Junior Debt is subject to any lien, security interest, financing statements, subordination, assignment or other claim, except in favor of Senior Creditor; and

(vi) this Agreement constitutes the legal, valid and binding obligation of Junior Creditor, enforceable in accordance with its terms.

(b) Senior Creditor represents and warrants to Junior Creditor that this Agreement constitutes the legal, valid and binding obligation of Senior Creditor, enforceable in accordance with its terms.

3.3 Waivers. Notice of acceptance hereof, the making of loans, advances and extensions of credit or other financial accommodations to, and the incurring of any expenses by or in respect of, Debtors by Senior Creditor, and presentment, demand, protest, notice of protest, notice of nonpayment or default and all other notices to which Junior Creditor and Debtors are or may be entitled are hereby waived (except as expressly provided for herein or as to Debtors, in the Senior Creditor Agreements). Junior Creditor also waives notice of, and hereby consents to,

(a) any amendment, modification, supplement, renewal, restatement or extensions of time of payment of or increase or decrease in the amount of any of the Senior Debt or to the Senior Creditor Agreements or any collateral at any time granted to or held by Senior Creditor, (b) the taking, exchange, surrender and releasing of collateral at any time granted to or held by Senior Creditor or guarantees now or at any time held by or available to Senior Creditor for the Senior Debt or any other person at any time liable for or in respect of the Senior Debt, (c) the exercise of, or refraining from the exercise of any rights against any Debtor or any other obligor or any collateral at any time granted to or held by Senior Creditor, (d) the settlement, compromise or release of, or the waiver of any default with respect to, any of the Senior Debt, and/or (e) Senior Creditor's election, in any proceeding instituted under the U.S. Bankruptcy Code of the application of Section 1111(b)(2) of the U.S. Bankruptcy Code. Any of the foregoing shall not, in any manner, affect the terms hereof or impair the obligations of Junior Creditor hereunder. All of the Senior Debt shall be deemed to have been made or incurred in reliance upon this Agreement.

3.4 Subrogation; Marshalling. Junior Creditor shall not be subrogated to, or be entitled to any assignment of any Senior Debt or Junior Debt or of any collateral for or guarantees or evidence of any thereof until the Payment in Full of the Senior Debt. Junior Creditor hereby waives any and all rights to have any collateral or any part thereof granted to or held by Senior Creditor marshalled upon any foreclosure or other disposition of such collateral by Senior Creditor or any Debtor with the consent of Senior Creditor.

3.5 No Offset. In the event Junior Creditor at any time incurs any obligation to pay money to any Debtor, Junior Creditor hereby irrevocably agrees that it shall not deduct from or setoff against any amounts owed by the Junior Creditor to such Debtor in connection with any such transaction any amounts the Junior Creditor claims are due to it with respect to the Junior Debt.

4. MISCELLANEOUS

4.1 Amendments. Any waiver, permit, consent or approval by either Creditor or under any provision, condition or covenant to this Agreement must be in writing and shall be effective only to the extent it is set forth in writing and as to the specific facts or circumstances covered thereby. Any amendment of this Agreement must be in writing and signed by each of the parties to be bound thereby.

4.2 Successors and Assigns.

(a) This Agreement shall be binding upon the parties hereto and their respective successors and assigns and shall inure to the benefit of each of Creditors and its respective successors, participants and assigns.

(b) Senior Creditor reserves the right to grant participations in, or otherwise sell, assign, transfer or negotiate all or any part of, or any interest in, the Senior Debt and the collateral securing same; provided, that, Junior Creditor shall not be obligated to give any notices to or otherwise in any manner deal directly with any participant in the Senior Debt and no participant shall be entitled to any rights or benefits under this Agreement except through Senior

Creditor. In connection with any participation or other transfer or assignment, Senior Creditor (i) may disclose to such assignee, participant or other transferee or assignee all documents and information which Senior Creditor now or hereafter may have relating to the Senior Debt or any collateral and (ii) shall disclose to such participant or other transferee or assignee the existence and terms and conditions of this Agreement.

(c) In connection with any assignment or transfer of any or all of the Senior Debt, or any or all rights of Senior Creditor in the property of any Debtor (other than pursuant to a participation), Junior Creditor agrees to execute and deliver an agreement containing terms substantially identical to those contained herein in favor of any such assignee or transferee and, in addition, will execute and deliver an agreement containing terms substantially identical to those contained herein in favor of any third person who succeeds to or replaces any or all of Senior Creditor's financing of Debtors, whether such successor financing or replacement occurs by transfer, assignment, "takeout" or any other means.

4.3 Insolvency. This Agreement shall be applicable both before and after the filing of any petition by or against any Debtor under the U.S. Bankruptcy Code and all converted or succeeding cases in respect thereof, and all references herein to any Debtor shall be deemed to apply to a trustee for such Debtor and such Debtor as debtor-in-possession. The relative rights of Senior Creditor and Junior Creditor to repayment of the Senior Debt and the Junior Debt, respectively, and in or to any distributions from or in respect of any Debtor or any proceeds of any Debtor's property and assets, shall continue after the filing thereof on the same basis as prior to the date of the petition, subject to any court order approving the financing of, or use of cash collateral by, any Debtor as debtor-in-possession.

4.4 Bankruptcy Financing. If any Debtor shall become subject to a proceeding under the U.S. Bankruptcy Code and if Senior Creditor desires to permit the use of cash collateral or to provide financing to such Debtor under either Section 363 or Section 364 of the U.S. Bankruptcy Code, Junior Creditor agrees as follows: (a) adequate notice to Junior Creditor shall have been provided for such financing or use of cash collateral if Junior Creditor receives notice two (2) business days prior to the entry of the order approving such financing or use of cash collateral and (b) no objection will be raised by Junior Creditor to any such use of cash collateral or financing. For purposes of this Section, notice of a proposed financing or use of cash collateral shall be deemed given when given in the manner prescribed by Section 4.5 hereof to Junior Creditor.

4.5 Notices. All notices, requests and demands to or upon the respective parties hereto shall be in writing and shall be deemed to have been duly given or made: if delivered in person, immediately upon delivery; if by telex, telegram or facsimile transmission, immediately upon sending and upon confirmation of receipt; if by nationally recognized overnight courier service with instructions to deliver the next business day, one (1) business day after sending; and if mailed by certified mail, return receipt requested, five (5) days after mailing. All notices, requests and demands are to be given or made to the respective parties at their addresses set forth below (or to such other addresses as either party may designate by notice in accordance with the provisions of this Section:

To Senior Creditor: Wells Fargo Bank, National Association
110 East Broward Boulevard, Suite 1100
Fort Lauderdale, Florida 33301
Attention: Portfolio Manager - Protective Products
Telecopy No.: (954) 467-5520

To Junior Creditor: Mine Safety Appliances Company
1000 Cranberry Woods Drive
Cranberry Township, PA 16066
Attention: Dennis L. Zeitler, Senior Vice President, Chief
Financial Officer and Treasurer
Telecopy No.: (724) 741-1589

Either Creditor may change the address(es) to which all notices, requests and other communications are to be sent by giving written notice of such address change to the other Creditor in conformity with this Section 4.5, but such change shall not be effective until notice of such change has been received by the other Creditor.

4.6 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original with the same force and effect as if the signatures thereto and hereto were upon the same instrument. Delivery of an executed counterpart of this Agreement by telefacsimile or other electronic method of transmission shall have the same force and effect as the delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by telefacsimile or other electronic method of transmission shall also deliver an original executed counterpart, but the failure to do so shall not affect the validity, enforceability or binding effect of this Agreement.

4.7 Governing Law. The validity, construction and effect of this Agreement shall be governed by the internal laws of the State of New York but excluding any principles of conflicts of law or other rule of law that would result in the application of the law of any jurisdiction other than the laws of the State of New York.

4.8 Consent to Jurisdiction; Waiver of Jury Trial. Each of the parties hereto hereby irrevocably consents to the non-exclusive jurisdiction of the Supreme Court of the State of New York in New York County, New York and any court to which an appeal can be taken therefrom and the United States District Court for the Southern District of New York and waives trial by jury in any action or proceeding with respect to this Agreement.

4.9 Complete Agreement. This written Subordination Agreement is intended by the parties as a final expression of their agreement and is intended as a complete statement of the terms and conditions of their agreement.

4.10 No Third Parties Benefitted. Except as expressly provided in Section 4.2, this Agreement is solely for the benefit of the Creditors and their respective successors, participants

and assigns, and no other person shall have any right, benefit, priority or interest under, or because of the existence of, this Agreement.

4.11 Disclosures. Non-Reliance. Each Creditor has the means to, and shall in the future remain, fully informed as to the financial condition and other affairs of Debtors, and no Creditor shall have any obligation or duty to disclose any such information to any other Creditor. Except as expressly set forth in this Agreement, the parties hereto have not otherwise made to each other nor do they hereby make to each other any warranties, express or implied, nor do they assume any liability to each other with respect to: (a) the enforceability, validity, value or collectability of any of the Junior Debt or the Senior Debt or any collateral or guarantee which may have been granted to any of them in connection therewith, (b) any Debtor's title to or right to any of its assets and properties, or (c) any other matter except as expressly set forth in this Agreement.

4.12 Term. This Agreement is a continuing agreement and shall remain in full force and effect until the Payment in Full of the Senior Debt.

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IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the day and year first above written.

SENIOR CREDITOR

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: _____

Name:

Title:

JUNIOR CREDITOR

MINE SAFETY APPLIANCES COMPANY

By: _____

Name:

Title:

ACKNOWLEDGMENT

Each of the undersigned hereby acknowledges and agrees to the foregoing terms and provisions. By its signature below, each of the undersigned agrees that it will, together with its successors and assigns, be bound by the provisions hereof.

Each of the undersigned agrees that any Creditor holding Collateral does so as bailee (under the UCC) for the other and is hereby authorized to and may turn over to such other Creditor upon request therefor any such Collateral, after all obligations and indebtedness of the undersigned to the bailee Creditor have been fully paid and performed.

Each of the undersigned acknowledges and agrees that: (i) although it may sign this Agreement, it is not a party hereto and does not and will not receive any right, benefit, priority or interest under or because of the existence of the foregoing Subordination Agreement, (ii) in the event of a breach by any of the undersigned or Junior Creditor of any of the terms and provisions contained in the foregoing Subordination Agreement, such a breach shall constitute an "Event of Default" as defined in and under the Senior Creditor Agreements and (iii) it will execute and deliver such additional documents and take such additional action as may be necessary or desirable in the opinion of any Creditor to effectuate the provisions and purposes of the foregoing Subordination Agreement.

DEBTORS

PROTECTIVE PRODUCTS ENTERPRISES, INC.

By: _____
Name:
Title:

PROTECTIVE PRODUCTS HOLDING CORP.

By: _____
Name:
Title:

PROTECTIVE PRODUCTS INTERMEDIATE
HOLDING CORP.

By: _____
Name:
Title:

EXHIBIT B

Acquisition of Paraclete Operation from MSA by PPE Transition Services Agreement

All of the following services will be provided by MSA for a business transition term not to exceed March 31, 2012.

Cost to have MSA provide the above services is \$30k/month, as allocated below. This amount includes no additional charges beyond covering internal costs to administer.

1. Financial and Accounting Services - \$7,500/month.
 - a. Asset depreciation schedules
 - b. Inventory reconciliation
 - c. Invoice and purchase order processing – with new remit to information
 - i. PPE will need to provide stickers
 - d. Management and processing of accounts payable and accounts receivable
 - e. Billing and collection to extent cutoff by customers isn't "clean"
 - f. Electronic Payment to extent collected at order entry
 - g. Data for preparation of financial statements
 - h. Processing and reporting of sales, use, and other non-income taxes
 - i. MSA will not collect money or pay invoices.
 - j. Any Non PO invoices will be sent to PPE for payment

2. Information Technology Services related to MSA's Infrastructure - \$7,500/month.
 - a. Network and database administration; Local area network and MSA provided MPLS connection
 - b. Data-integrity, firewall and security administration
 - c. Data extraction and migration
 - d. Disaster recovery services
 - e. Internal help-desk services and support
 - f. Telecommunication services and support (Cell Phones and Blackberries)
 - g. Email messaging and operation services and support
 - h. Local IT support from Karen Paris
 - i. MSA IT will not be responsible for installing services for PPE

3. Customer Service Support - \$7,500/month.
 - a. Telephone and electronic support including
 - i. Customer Service Order Entry
 - ii. Customer Service Order Response / Confirmation to Customer
 - iii. Customer Service Order Shipping
 - iv. Engineering support to the extent of MSA products included in underlying orders
 - b. All Customer files tied to Paraclete to extent information is available

- c. Any and all web based customer portals that are used for the benefit of selling/marketing Paraclete products, including the DHS Portal, excludes MSA24 Distributor portal
- 4. Manufacturing, storage, sale and shipping of product/inventory - \$7,500/month.
 - a. Work Order Management – (SAP)
 - i. Scheduling
 - ii. Production / Tracking
 - iii. Bill of lading generation
 - 1. PPE will need to provide stickers
 - iv. Bill of Material management
 - 1. No BOM or routing changes will be made
 - 2. No new Part numbers will be added
 - v. Purchase order generation and management

Schedule 4.13(a): Government Contracts

<u>Contract Name</u>	<u>Contract Customer</u>	<u>Effective Date</u>	<u>Basis of Payment</u>	<u>Contract No.</u>
Immigration and Customs (DHS)	Department of Homeland Security	December 4, 2006	Fixed Price	HSBP1107D01436
Immigration and Customs (DHS)	Department of Homeland Security	August 3, 2011	Fixed Price	HSBP1107D01436/ DEL ORDER No. HSCEMS-11-J-00046
U.S. Army IOTV	U.S. Army	December 4, 2009	Fixed Price	W91CRB-10-D-0008
U.S. Department of State	U.S. Department of State	September 22, 2011	Fixed Price	P.O. 1902-1-62534
UN Contract	United Nations	September 1, 2011	Fixed Price	PD/C0145/11
UN P-G 25942	United Nations	June 30, 2011	Fixed Price	P.O. No. P-G 25942
UN 11SOA-110526	United Nations	August 1, 2011	Fixed Price	P.O. No. 11SOA-110526
UN 11POS-64	United Nations	August 18, 2011	Fixed Price	P.O. No. 11POS-64
Supply and Delivery of Protective Soft Body Armour, which provides Ballistic and Stab Resistant Protection	The Ministry of Community Safety & Correctional Services (Canada)	October 5, 2009	Fixed Price	MCSCS-00034-09/10
State of Colorado Master Price Agreement on behalf of the Western States Contracting Alliance (WSCA) for (Ballistic and/or stab-resistant body armor products	State of Colorado Dept. of Personnel and Administration	No awards to date	N/A	Agreement No. 68008YYY11P/WSCA
Western States Contracting Alliance (WSCA) Participating Addendum for the State of Minnesota	State of Minnesota	No awards to date	N/A	State Contract No. 31257 (addendum to WSCA Contract No. 68008YYY11P/WSCA)
Western States Contracting Alliance (WSCA) Participating Addendum for the State of Washington	State of Washington	No awards to date	Fixed Price	State Contract No. 02711 (addendum to WSCA Contract No. 68008YYY11P/WSCA)

Body Armor Three (3) Year Requirements Contract ⁴	The Port Authority of NY & NJ	No awards to date	Fixed Price, Three Year Requirements Contract	4500062710
County of Allegheny	Department of Administrative Services Division of Purchasing and Supplies	July 27, 2011	Fixed Price	Purchase Order No. 91694

Outstanding Bids

<u>Contract Name</u>	<u>Contract Customer</u>	<u>Contract No.</u>
Ballistic Hard Armour Standalone Plates for the Ontario Provincial Police	The Ministry of Community Safety & Correctional Services	Bid # OPP-0246

⁴ Provided, however, that if MSA is not bound by this agreement at Closing, the proviso in Section 6.21 of the Agreement shall apply.

Schedule 4.13(d): Government Contracts

Seller has acquired a \$559,085.10 performance bond in connection with United Nations Contract PD/C0145/11. This bond will not be transferred to Buyer as part of the Transaction, but will remain in place in support of UN Contract PD/C0145/11.

